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Japan

Lower House Dissolved for 18 Feb Elections

OW2401083590 Tokyo KYODO in English 0717 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Toshiki Kaifu dissolved the House of Representatives Wednesday and formally set February 18 as polling day for a crucial general election which political analysts say could determine Japan's basic political structure in the 1990s. In an extraordinary cabinet meeting, the Government also set the proclamation date for February 3, when candidates are registered and open election campaigning is allowed. However, leaders of the opposition camp took to the streets Wednesday in downtown Tokyo and appealed to voters to topple the Liberal Democratic Party [LDP] government.

Interest in the election centers on whether the LDP will be able to maintain its 34-year single-party grip on power following its stunning defeat in the House of Councilors election in July last year. The governing party has controlled the powerful 512-seat lower house since 1955, when it was formed through the merger of two conservative parties.

Four opposition party leaders, including Takako Doi, chairwoman of the largest opposition party, the Japan Socialist Party [JSP], met in a Diet building and agreed to continue talks on formulating a coalition government. They reconfirmed their determination to abolish the unpopular 3-percent consumption tax introduced last April and oust the LDP from power. The meeting was hastily arranged after the dissolution in an apparent effort to impress on voters the closeness of their relations, analysts said.

In a traditional morale-raising meeting following Diet dissolution, Kaifu called on LDP members to do their utmost to secure a simple majority of 257 seats in the 512-member lower house election. The result of the election will also have an important bearing on the political life of the prime minister, who has indicated he would step down if the LDP fails to win 257 or more seats.

The target of 257 or more seats, set by Kaifu, is the lowest he can cite as leader of the ruling party, according to the analysts. The LDP currently holds an absolute majority of 294 seats in the lower house following the simultaneous elections of both houses of the Diet in July 1986.

Former Prime Minister Noboru Takeshita, the most powerful figure in the LDP, has already expressed support for Kaifu staying on in office if the LDP wins a simple majority in the February election. Kaifu was picked by party elders, including Takeshita, to succeed Sosuke Uno in August last year and won a 2-year term as president of the LDP on October 31.

A KYODO NEWS SERVICE survey showed that a total of 923 candidates, the largest number in 21 years, have said they will contend for the 512 lower house seats. Among the candidates will be 62 women, the third highest figure in 10 postwar elections. The LDP plans to field some 320 candidates, followed by 155 for the JSP, 131 for the Japan Communist Party, 58 for the centrist Komeito, and 44 for the Democratic Socialist Party. The tiny United Social Democratic Party and the Progressive Party each will put up six candidates.

In its election campaign, the LDP is to call on the voters to choose an LDP-led government or face a JSP-initiated coalition government. Meanwhile, opposition groups will push for an end to the consumption tax as a major plank in their campaign to terminate the long-standing hold on government by the LDP. Other election issues to be taken up are political reform in the wake of the Recruit influence-peddling scandal, agricultural policy, including the possible opening of the Japanese rice market to imports, and foreign policy amid rapid changes in East-West relations.

Reaction to House of Representatives Dissolution

Parties Call Action 'Too Late'

OW2401053490 Tokyo KYODO in English 0517 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Opposition parties criticized Wednesday's dissolution of the House of Representatives saying it should have been much earlier and declaring it would put an end to one-party rule by the Liberal Democratic Party (LDP). A Japan Socialist Party [JSP] statement said the dissolution had come "too late" after three changes in the prime ministership since the previous general election in 1986. The statement said this showed a neglect of accepted constitutional practice and national opinion. The JSP has long demanded the early dissolution of the lower house to restore the nation's faith in politics lost during the Recruit stocks-for-favor bribery case and the LDP's forcing through legislation for the 3 percent consumption tax, it said.

"Intra-LDP conflicts prevented Prime Minister Toshiki Kaifu from addressing the Diet with his policies before dissolution," the statement said. "Policy questions by opposition party leaders were also blocked."

Such Diet management, the JSP's statement said, is a production of the LDP's "arrogant one-party rule." The JSP said it would be "a major national task to put an end to this kind of governing." The LDP now controls 294 of the 512 lower house seats. The JSP said the dissolution would mark the beginning of the end for the consumption tax. The party called in the statement for opposition solidarity to engineer a loss by the LDP of its majority and realize a coalition government "which reflects the national interest and responds to radically shifting domestic and foreign affairs."

A statement, issued by Komeito, said the party would make every effort to force the ruling Liberal Democratic Party to lose its majority in the lower house election. The

statement urged voters to choose opposition candidates in the election to put an end to government by the LDP, which has held power for decades. It said Komeito would continue to be a middle-of-the-road party, adding that the party has paved the way for a scrapping of the consumption tax, an improvement in the standard of living of the Japanese people, and enhancement of world peace and disarmament.

The Democratic Socialist Party (DSP) issued a statement shortly after the dissolution, saying that the party would campaign against the LDP to put an end to its decades-long control over Japanese politics over decades. The statement appealed to voters to support the DSP, which it said has endeavored to scrap the consumption tax to improve the standard of living of Japanese people suffering from rising land prices and gaps in assets between rich and poor.

The Japan Communist Party's [JCP] statement accused the LDP of corrupting Japanese politics due to its money-oriented politics and of threatening the livelihood of Japanese people, democracy in Japan and world peace. The statement said the JCP would make every effort to establish Japanese democracy as a reflection of the will of the Japanese people.

The minor United Social Democratic Party also said in a statement it will fight in the election to topple the LDP's one-party rule to pave the way for a "national coalition government."

Leaders Agree To Fight LDP

OW2401104090 Tokyo KYODO in English 1002 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Leaders of four non-communist opposition parties said Wednesday they have agreed to work together to topple the ruling Liberal Democratic Party's [LDP] majority in the February 18 general election for the House of Representatives. The agreement came during a meeting attended by Takako Doi, chairwoman of the Japan Socialist Party (JSP), Koshiro Ishida, chairman of the Komeito, Eiichi Nagasue, chairman of the Democratic Socialist Party (DSP), and Satsuki Eda, leader of the United Social Democratic Party (USDP). The four opposition leaders met shortly after the 512-seat House of Representatives was dissolved, the first such meeting since one held in Kyoto last April.

Ishida, who attended a press conference with the other leaders, said: "The four parties have agreed to fight an election campaign against the LDP to pave the way for forming the four-party coalition government." The four opposition parties will field 270 candidates for the general election, 13 more than the number needed to have a majority of lower house seats, JSP officials said. Ishida said the parties would make every effort to patch up past policy differences, even after the lower house election. The four parties have different views on the Japan-U.S. Security Treaty, Japan's defense policies, nuclear power station construction, and Korea.

Doi said the opposition parties need to show Japanese voters they are determined to win a majority in the lower house. Ishida said the leaders of the four parties agreed to continue trying to scrap the unpopular 3 percent consumption tax, introduced last April. Prior to the press conference, Tetsuzo Fuwa, Presidium chairman of the Japan Communist Party, told reporters his party also will try to defeat what he called "the LDP's dictatorial regime." Fuwa said Japanese people have suffered from LDP-led politics, which he said have protected Japanese business circles at the expense of rising land prices and growing defense spending.

Rengo To Back Opposition

OW2401052390 Tokyo KYODO in English 0445 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Japan's largest trade union federation issued a statement Wednesday, saying it will make every effort to help four opposition parties win a majority in the House of Representatives in the upcoming election to pave the way for forming a coalition government. The eight million-strong Japanese Trade Union Confederation (Rengo) issued the statement supporting the Japan Socialist Party, Komeito, the Democratic Socialist Party, and the United Social Democratic Party after the 512-seat lower house was dissolved earlier in the day. The statement said Rengo would join the election campaign for the opposition parties with the aim of depriving the ruling Liberal Democratic Party (LDP) of its majority in the lower house, as happened in the July 1989 House of Councillors election. The general election, expected to be held on February 18, centers on whether voters will choose the continued implementation of the 3 percent consumption tax, introduced by the LDP in April last year, the statement said.

It criticized the LDP as being tainted by the Recruit stock profiteering and bribery scandal involving LDP politicians and former government officials, saying voters should reject the LDP's "money-oriented politics." The statement also accused the government and the LDP of dissolving the lower house without allowing deliberations between the LDP and opposition parties in the Diet, saying the LDP had ignored parliamentary democratic procedures to conceal its weaknesses from voters.

Business Circles To Back LDP

OW2401052290 Tokyo KYODO in English 0448 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Business circles will do their utmost to see that the Liberal Democratic Party (LDP) in the coming election retains its grip on power, which they said is vital for maintenance of the free-market economy, industry sources said Wednesday.

Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), said that the forthcoming general election for the House of Representatives, expected to be held on February 18, will decide Japan's destiny in the 21st century. He also said that Japan's "miraculous economic growth" in the postwar period has been based on "stable politics championed by the LDP." The business world hopes that the ruling party will retain its majority in the lower house to remain in political leadership, Saito said. In the earlier election for the House of Councillors held last July the LDP lost its majority in the less powerful upper house.

Takashi Ishihara, president of the Association of Corporate Executives, echoed Saito and said the upcoming election will matter very much to the future of Japanese politics. He said that it is very doubtful if the opposition parties can be "proper leaders," taking into account that they have failed to agree on a scheme to form a coalition government so far.

Further Reportage on Kaifu Visit to Europe

Interviewed by LE MONDE

PM2401111490 Paris LE MONDE in French 13 Jan 90 p 4

[Interview with Japanese Prime Minister Toshiki Kaifu by Patrice de Beer in Paris on 11 January]

[Text] [De Beer] Prime Minister, what are the aims of your visit to West and East Europe?

[Kaifu] We are now facing very great historic changes. The very framework of East-West relations is changing. It is no longer confrontation which is the order of the day, but dialogue. European integration is about to succeed, and in East Europe, we are seeing the collapse of communist regimes and the search by entire populations for new values, including freedom, democracy, and the market economy.

We are witnessing a new democratization process. This is a trend which we can only welcome, but this process must be irreversible. It is because we are aware of this need that we intend to help those countries.... Japan shares the values of freedom, democracy, and a market economy, and I know that our country must also play an important international role in the political sphere. Our intention is to make our contribution to the creation of a new order in the world.

The first aim of my visit is to have talks with our partners in West Europe and express this viewpoint to them frankly. The second aim is to visit Poland and Hungary; we can cooperate with these countries (Tokyo plans to grant them $2 billion in aid—LE MONDE editor's note). The changes which we are facing in Europe can have beneficial effects on peace and stability in the whole world.

Perestroyka Absent From Asia

[De Beer] Do recent events in East Europe call into question Japan's deep distrust for the Soviet Union?

[Kaifu] It must be noted that there is an unfortunate dispute between our two countries. It is a territorial dispute (relating to the four southern Kuril islands occupied by the USSR since 1945—LE MONDE editor's note). This explains why a peace treaty has still not been concluded with the USSR, which is an unusual situation. We give priority to the territorial question and to the peace treaty, but we hope to be able to build stable Japanese-Soviet relations.

We think that the recent changes in East Europe reflect Mr Gorbachev's new thinking in the foreign policy sphere. However, it must be noted that in the Asia and Pacific area, the effects of this new thinking are not yet being felt. Our greatest wish is that this new thinking be reflected in Soviet policy toward this region (Mr Kaifu added, probably referring to the close relations between the USSR and Vietnam—LE MONDE editor's note).

[De Beer] What do you say to those in Europe and France—like European Affairs Minister Edith Cresson, for instance—who are worried by Japan's economic aggressiveness and who accuse it of trying to protect its internal market by tariff or nontariff barriers?

[Kaifu] I know that in Europe, some people are talking about the tariff or nontariff barriers of our internal market. I would like to address this situation very frankly with facts. Since I became prime minister (last August—LE MONDE editor's note), I have seen customs tariffs removed from more than 1,000 products, and we are taking practical measures, both legal and economic, with a view to increasing our imports.

These figures are eloquent because our imports are increasing and the volume of our commercial deficit is falling. My government will continue to make every possible effort to progress along this path. For instance, we are initiating fiscal reform and intend to introduce fiscal provisions to encourage imports.

We are also trying to convince the Japanese people that our country's fate is linked to the fate of its imports. I could cite another argument: The average level of our customs tariffs is 2.1 percent; in other words, around half of the EEC rate.

France's Preeminent Role

[De Beer] Do you fear the creation of a "fortress Europe" in view of the 1993 single market?

[Kaifu] I have no worries on that subject. Many European leaders have clearly stated that the future single market will be fully free and open to the outside. However I would like to make other requests to our European friends. We are making efforts to absorb

Europe's commercial imbalance. This is a gesture of goodwill which deserves reciprocity from the Community.

I will cite the case of the discriminatory quantitative restrictions placed on us. Previously, they affected 131 articles. Thanks to the EEC's goodwill, this number has fallen to 61. This is an effort to which I would like to pay tribute. But I am hoping for other gestures, with the ultimate objective of their total elimination.

[De Beer] What do you expect from your talks with the French leaders? What do you expect from France, and how do you view its role on the world stage?

[Kaifu] Your country plays a preeminent and preponderant role in the world. This is primarily due to the policy pursued by the French leaders, especially the president of the republic, who is undoubtedly one of the greatest statesmen of the present era. I am thinking in particular of the driving force France has exerted in the development of the European integration process.

We have always been anxious to pay tribute to France's view of the world, a view which goes beyond a simple confrontation between East and West. In such a context, the strengthening of dialogue and relations between Japan and France could only prove useful, as would a coordination of our policies.

It is by exchanging views with the French leaders that I will best be able to understand the most appropriate way to contribute to the international community. France has always taken excellent initiatives in international policy, especially on Cambodia (with the Paris conference in August 1989—LE MONDE editor's note) and the Arche "summit."

KYODO Assesses Tour

OW1701042990 Tokyo KYODO in English 0150 GMT 17 Jan 90

[By Mitsuru Mabuchi]

[Text] Budapest, Jan. 17 KYODO--Prime Minister Toshiki Kaifu's 11-day trek across Europe underscores Japan's determination to play a more prominent role in establishing the new political equilibrium emerging in the world. Kaifu's theme that the upheavals in Eastern Europe have global implications is a clear indication that Japan has a stake in the affairs taking place on the European continent. Japan's technological and financial muscle, which it is ready to use for political ends, will require all the major players in the world diplomatic arena to pay greater attention when Japan expresses its views about world politics.

The 2 billion dollar aid package that Japan has pledged to Poland and Hungary is considered an "admission fee to the front row of the world diplomacy game," according to a source close to the prime minister. The massive assistance is also a calculated political overture to the Soviet Union, which is seeking Japan's technological and financial cooperation to salvage its failing economy.

Kaifu has said on several occasions during his European tour that the Asia-Pacific region has yet to reap the benefits of Soviet President Mikhail Gorbachev's "new thinking" diplomacy. "Japan's flexing of its financial muscle is partly designed to induce the Soviet Union to make more serious efforts toward rapprochement with Japan and other Asian nations," the source said.

The decline of Soviet influence has provided Japan with a golden opportunity to negotiate the return of four islands off Hokkaido seized by the Soviets at the end of the World War II, and remove the principal barrier to better bilateral ties. Japan is already working feverishly to regain the islands. High-ranking government officials held talks over the issue in Tokyo last month, and Shintaro Abe, former secretary general of the ruling Liberal Democratic Party (LDP), visited Moscow and met Gorbachev on Monday. The LDP, which suffered a serious setback in the House of Councilors elections last year, hopes to regain the islands and conclude a peace treaty with the Soviet Union to boost its popularity.

Japan's open commitment to East European countries has also been precipitated by an accelerating historic trend toward a larger unity in Europe. Polish President Wojciech Jaruzelski made it clear in a meeting with Kaifu that Poland wants its political reforms to lead to membership in a pan-European economic and political union. Japan appears willing to support such a trend, as illustrated by Kaifu's repeated endorsement of a "stronger Europe."

"If the trend toward a unified Europe is irreversible, as many European leaders believe, there is no better time than now to establish a foundation for deeper ties with the region," said a Japanese Foreign Ministry expert on Western Europe. He denied, however, that Japan's financial aid is aimed at developing East European markets as a hedge against protectionism in the European Community. "The amount we promised is far less than needed to help the two countries solve their economic woes in the short term. The success of their economic reforms depends solely on their self-help efforts," the Foreign Ministry official contended.

"We do not have any illusions about what such economic assistance can accomplish," he added. Japan's move toward stronger ties with Europe also stems from a desire to balance its close relations with the United States.

"The prime minister's trumpeting of the strengthening of ties with Europe is partly intended as a warning signal to the U.S., which keeps slamming Japan, sometimes unjustifiably, for its towering trade deficit," the source close to Kaifu said.

"Japan has no intention of weakening relations with the U.S., but it will seek a more balanced diplomacy," a senior Foreign Ministry official said. Kaifu also hopes

his high-profile foray to Europe will boost his standing in the LDP, which is out to improve its image ahead of the general elections for the House of Representatives, expected in February. How Kaifu's highly-charged lectures about "new world order" and "stronger Europe" were received by European leaders and Japanese constituencies was not clear. French officials told Kaifu France is more interested in bilateral trade issues than in his political "philosophy." French President Francois Mitterrand told Kaifu the Japanese economy is too strong, and termed the Japanese market "impenetrable." French Prime Minister Michel Rocard accused the Japanese of dumping their products in the European market. French Minister for European Affairs Edith Cresson called Japan an "enemy" with a "clear determination to conquer the world."

Because Japanese constituencies traditionally have been less interested in diplomatic problems, it was not clear whether the trip would reap big political gains for Kaifu and for the LDP. It did, however, send an unmistakable message to the world that Japan would be an active participant in world diplomacy, political analysts said.

Budapest News Conference Held

OW1701141090 Tokyo NHK General Television Network in Japanese 1000 GMT 17 Jan 90

[Text] This evening in Budapest, Prime Minister Kaifu held a news conference for Japanese and foreign reporters to conclude his current European tour. He stressed his idea that Japan would play an active role in creating a new international order within the new East-West relationship. Also present at the news conference was Hungarian Premier Nemeth. Prime Minister Kaifu had the following to say:

[Begin recording] After the war, Japan freely chose to adopt the values of a free democratic system with a market-oriented economy. These values have created national stability and enhanced our prosperity. These values are about to be realized in East Europe, and the efforts of the East European countries to overcome the present instability and to implement reforms smoothly will contribute to world stability; they will also lead to stability, not only in Europe, but in the whole world as well. In view of these facts, Japan has expressed its desire to provide aid to both Hungary and Poland. [end recording]

Mr Kaifu stressed that Japan would like to help create a new international order and that his current visit to Europe is intended to demonstrate to all nations that Japan is ready to accept its responsibility as a member of the Western community. He also said that leaders of many nations have expressed such expectations about Japan. While stating his intentions regarding Japan's future role, Prime Minister Kaifu stressed that Japan would play an active role in creating a new international order within the new East-West relationship.

Moreover, touching on the report that Soviet Chairman Gorbachev has indicated an unprecedentedly positive posture on settling the northern territories issue in his talks with former Liberal Democratic Party General Secretary Abe, Prime Minister Kaifu said he would like to hear the details from Mr Abe as soon as he returns to Japan. He said that if the Soviet Union has truly taken a step forward in its ideas about its relations with Japan, then Japan would settle the territorial issue, sign a peace treaty, and make efforts to establish genuinely stabilized relations with the Soviet Union. Thus, Prime Minister Kaifu has indicated his enthusiasm over improving Japanese relations with the Soviet Union.

Mr Kaifu has now completed his schedule, which has taken him to eight European nations since 8 January. He is expected to return home tomorrow afternoon.

Muses-A Spacecraft Successfully Launched

OW2401125090 Tokyo KYODO in English 1233 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Japan launched its first moon-bound space probe on Wednesday from a southern Japanese space center. If successful the launch will make Japan the third nation to put a craft on the moon behind the United States and the Soviet Union. The launch of the Muses-A spacecraft, carrying 2 satellites, was originally scheduled for Tuesday night, but was canceled 18 seconds before liftoff due to technical difficulties.

Firm Buys Rights to Soviet Space Technology

OW1701183290 Tokyo KYODO in English 1424 GMT 17 Jan 90

[Text] Tokyo, Jan. 17 KYODO—A Japanese trading firm has purchased the rights to use and sell Soviet space technology database, the company said Wednesday. The Horie Group, a Tokyo trading company specializing in space industry, which bought a Soviet Mir space station last year, told KYODO NEWS SERVICE that the database was compiled by the Soviet space control center and includes the latest information on the technology of the Soviet space shuttle "Buran." This is the first release of such information by the Soviet Union to a foreign nation, the company said. Other information in the database concerns technologies of the Soviet manned space flight program, which has established a world record of more than a year's stay in space by cosmonauts, the company said.

The Soviet space agency, Glavkosmos, the nerve center of the space research program in the Soviet Union, deals in the training of astronauts, launching of the space shuttle, and landing and retrieval control of the Mir space station. The information in the database is compiled in both Russian and English.

The Horie Group declined to disclose the price it paid for the database rights. But the company said it has already started to accept applications for information

retrieval on magnetic tapes and in printed form. The price for retrieval will be the international standard charge, the firm said, without elaborating. Direct retrieval by computers will be available around May, company officials said.

The firm bought the Mir space station and the accompanying Kvant experimental science module last year. They were put on display at last year's world design exposition in Nagoya. The Mir and Kvant modules on display in Nagoya were identical to the ones launched in February 1986 and now orbiting the earth.

The database is assorted in eight different categories, and in one of these, some 100,000 files carry information on Soviet space science and industrial technologies since 1961, the officials said. This category, which also includes information on space medicine, will be updated four times a year. Another category deals with macromolecular composites, with some 8,000 files inputed since 1986. About 122,000 files cover welding on the ground and in space. The metalllurgy category has some 120,000 files, they said.

The head of Glavkosmos, V. Lobachev, visited Japan and met government and company officials in October 1989 to promote the sale of space information to Japanese companies. "We would like to provide data on all fields of our space development technologies we have amassed for 40 years," Lobachev said while in Japan last year. Glavkosmos and a private Japanese television network, Tokyo Broadcasting System Inc. (TBS), agreed last year to put two TBS journalists on the Mir sometime in 1991.

Space experts say the Soviet Union has accumulated know-how on manned space flights over the last three years when the United States stopped much of its research in the field after the explosion of the space shuttle Challenger in 1986. Soviet cosmonauts spent a record 366 days continuously in space up to December 1988.

Lobachev has said his agency has established methods to prevent space sickness and found ways to increase the calcium in human bones, which is depleted by prolonged stays in zero gravity space. Japanese space experts also say the acquisition of Soviet space information especially in the field of manned space flights, will be valuable to the Japanese space development program. The National Space Development Agency (NASDA), Japan's governmental space agency, plans to join a manned space station program with the U.S., some European countries, and Canada.

Talks With Washington on Satellite Program Fail

OW2401054990 Tokyo KYODO in English 0534 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Japan will pursue its own satellite program despite U.S. complaints that Tokyo is discouraging imports of U.S.-made satellites, Post and Telecommunications Ministry officials said Wednesday. The remarks came in the wake of failed talks in Washington on the Japanese program, which the U.S. says is blocking the sale of American satellites in Japan.

The ministry officials said that despite the U.S. desire to resolve the issue by March, Japan will push ahead with its own satellite program, under which it is scheduled to begin in April the design work for a communications satellite known as CS4.

In the two-day talks which ended late Tuesday, U.S. officials claimed that the Japanese Government is effectively discouraging domestic companies from freely purchasing foreign satellites, by partially funding research and development of the domestic satellite industry. Japanese officials countered that Japan's satellite program is aimed at developing new technology and not at commercializing domestically made satellites.

The latest meeting was part of consultations over Japan's satellite procurement policy, which the U.S. says features "priority" practices and must be changed if Japan is to avoid U.S. trade retaliation under the 1988 Omnibus Trade Act.

Objections to U.S. Submarine Port Call Made

Okinawans Protest

OW1701092690 Naha NHK Television in Japanese 0315 GMT 17 Jan 90

[From the "Noon News" program]

[Text] The U.S. nuclear-powered attack submarine "Haddock" called at White Beach in Katsuren Town this morning.

[Begin video report by unidentified reporter aboard a helicopter; video shows submarine under way] The submarine "Haddock" appeared off Katsuren Peninsula at about 0730 [2330 GMT], and slowly steamed toward White Beach in Katsuren Town. It was led by a Maritime Self-Defense Force patrol boat. The submarine is about 80 meters long and is an old-type nuclear-powered submarine commissioned about 20 years ago. Its attack capabilities are lodged in its antisubmarine SUBROC missiles. The submarine is reportedly calling at White Beach to allow its crew to rest and to replenish supplies. However, the submarine is believed to have various equipment on board, and it will be loaded with tapes to record the sounds of other submarines at sea, as well as decoding cards, while berthed at White Beach.

U.S. nuclear-powered submarines have called at Okinawa several times a year since Okinawa's reversion to Japanese rule. However, these visits have sharply increased since 3 years ago, and in 1987, the number reached 11, a record high. Last year, port calls decreased to three. Experts point out that U.S. forces might be cutting back their activities because of the slackening of Soviet submarine activity. A U.S. nuclear-powered submarine is making its first appearance in Okinawa since

last April; this indicates that underwater tensions surrounding Okinawa are continuing at a time when East-West tensions are easing. [end aerial video report]

Toitsuren [United Action Liaison Council to Defend Livelihood and Democracy], a reformist organization aligned with the Communist Party of Japan, held an emergency rally on a hill overlooking White Beach this morning. The rally had about 40 participants. Speaking to the rally, Toitsuren Chairman Miyagi stressed: Military bases on Okinawa are being further consolidated at a time when tensions are easing around the world. The port calls by U.S. nuclear-powered submarines should absolutely not be allowed. He also severely criticized the port call by the "Haddock" at White Beach, calling for tenacious campaigns against such visits by U.S. nuclear-powered submarines in the future.

Editorial Criticizes Visit

OW2001014190 Naha RYUKYU SHIMPO in Japanese 18 Jan 90 Morning Edition p 5

[Editorial: "Regrettable Port Call of U.S. Nuclear Submarine"]

[Text] On the morning of 17 January, a U.S. Navy nuclear submarine appeared at White Beach in Katsuren-cho. The nuclear submarine called on the port about 1 year following the visit of the "Los Angeles" on 9 January 1989. The nuclear submarine which made the port call this time was the the 3,750-ton "Haddock," with a crew of 130. As usual, "rest and replenishment of supplies" were given as the reasons for the port call.

We have always protested the port call of nuclear submarines in Okinawa for any reason. It is regrettable that such protests have not produced any results. It is suspected that U.S. nuclear submarines carry nuclear weapons, yet the U.S. military authorities will not clarify the existence or nonexistence of such weapons. Each port call has brought anxiety to residents in the area, and the town assembly of Katsuren-cho, where White Beach is located, has time and again adopted protest resolutions. Considering the frequent incidents and accidents involving the U.S. military recently, we have no choice but to strongly protest the present port call.

Remember that it was only last June that the U.S. military revealed that 24 years ago, an attack plane carrying a hydrogen bomb fell from the U.S. aircraft carrier "Ticonderoga" at sea near Okinawa; this incident has caused great anxiety among the Okinawan people. At that time, the Science and Technology Agency conducted a survey of radioactive pollution in the sea area near the site, and as a result, reported that "an abnormal level of radioactivity had not been detected." Such a thing has not happened to a nuclear submarine at this point, but the fear of radioactive pollution remains.

In fact, there was a fire on a Soviet nuclear submarine at sea near Okinawa in July 1988. Another accident occurred whenthe Marine Self-Defense Force submarine "Nadashio" collided with the leisure fishing boat "No 1 Fuji Maru" off Yokosuka, Kanagawa Prefecture, resulting in the death of 30 anglers.

We can never know when and where such submarine accidents will happen. In Nakagusuku Bay in Katsuren-cho, there has been an increasing number of fishing boats and leisure fishing boats lately. We cannot say that an accident similar to the "Nadashio" will never happen. Incidentally, this marked the 44th port call by a nuclear submarine since the reversion.

After every port call, the prefecture is compelled to carry out various measures, such as checking the radioactive pollution around the area.

As usual, during the port call of the "Haddock," U.S. authorities would not admit anything other than "rest and replenishment of supplies." It is believed that the submarine carried SUBROC nuclear missiles. We have to stress the fact that Japan's three non-nuclear principles are being forgotten here in Okinawa.

Trade Surplus With U.S. Remains at High Level

OW1901123290 Tokyo KYODO in English 0919 GMT 19 Jan 90

[Text] Tokyo, Jan. 19 KYODO—Continued growth in imports slashed Japan's trade surplus last year for the third straight year, with the December surplus slipping for eight months in a row, the Finance Ministry said Friday in a preliminary report. The 1989 surplus, measured on a customs clearance basis, fell 16.9 percent to an unadjusted 64,433.7 million dollars from a year earlier, when it was 77,563.1 million dollars, the ministry said.

Imports grew 12.5 percent to 210,739.1 million dollars, attesting to a shift in the Japanese economy to a domestic demand-led one from one depending on exports. 1989 was the first year in which imports topped 200 billion dollars. Exports grew at a slower tempo, rising 3.9 percent to 275,172.8 million dollars.

In December alone, Japan's surplus dropped 36.3 percent from a year earlier to 6,193.8 million dollars in a decline aided by an export slowdown. In the latest reporting month, exports fell 6.0 percent to 24,591.7 million dollars, while imports rose 11.8 percent to 18,397.8 million dollars.

In 1989, Japan's surplus with the United States, the main source of a bilateral trade dispute, narrowed at a slower tempo of 5.5 percent to 45,001.7 million dollars. The surplus with the United States accounted for 69.8 percent of the overall surplus in 1989, compared with 61.4 percent in 1988, undermining hopes that the bilateral trade friction would take a more positive turn.

Exports to the United States rose 4.0 percent to 93,185.6 million dollars, while imports from Japan's biggest trading partner jumped 14.6 percent to 48,183.9 million dollars. The slow export growth came mainly because of a slowdown

in car exports, which offset robust growth in exports of semiconductors and office equipment, including computers, ministry officials said. Car exports to the United States dipped 3.8 percent in value, a drop which the officials attributed to increasing local production by the Japanese. In 1989, Japan imported more of U.S. goods such as alcoholic beverages, up 58.4 percent, lumber, up 23.8 percent, and office equipment, up 31.9 percent.

With the 12-nation European Community, imports shot up 16.9 percent to 28,139.5 million dollars, but trade between the two partners still ended 1989 with a surplus in favor of Japan of 19,772.7 million dollars. The surplus with the EC was down 13.3 percent, however, from the year-earlier level. Exports to the EC edged up 2.2 percent to 47,912.2 million dollars. EC-bound exports of Japanese goods including audio-visual goods such as video-tape recorders were slack, but exports of semiconductors were strong.

On the import side, growth was particulary swift in alcoholic beverages, zooming up 64.7 percent in a surge prompted by a change in liquor taxes last April which brought down prices for imported whiskey and other alcoholic products. Car imports from the EC were also strong, shooting up 33.2 percent amid a booming Japanese imported car market.

With Asia, Japan scored a surplus of 17,973.3 million dollars in 1989, down 4.9 percent from the year before. Exports to the region rose 7.1 percent to 82,001.6 million dollars, while Japan imported 11.1 percent more of Asian goods, totaling 64,028.4 million dollars.

In exports to Asia, autos, steel, and electrical equipment were the main items, rising 11.0 percent, 3.3 percent, and 5.8 percent, respectively. On the import side, wooden products, audio-visual equipment and textile goods grew strongly, going up 58.5 percent, 36.0 percent, and 22.5 percent, respectively.

Among major products in 1989, Japan's auto exports fell 3.1 percent in volume and 1.6 percent in value, showing a shift among Japanese automakers toward exports of luxury models. Import growth was snappy in crude oil due to higher crude oil prices, which pushed crude oil imports up 14.3 percent in value last year. Crude oil prices averaged 16.71 dollars per barrel in 1989, up from an average 15.65 dollars in 1988, according to the ministry. Also showing strong import growth were office equipment and textile goods, shooting up 33.1 percent and 24.9 percent, respectively.

The proportion of finished goods among total imports stood at 50.3 percent last year, rising above the 50 percent level for the first time for a year. In December, Japan's surplus with the United States shrank 24.0 percent from a year earlier to 3,830.8 million dollars, with exports down and imports up in a trend carried over from recent months. December was the third consecutive month in which Japan's surplus with the United States showed a year-to-year shrinkage. Exports to the U.S., weighed down chiefly by falling car shipments, dropped 10.8 percent to 7,755.2 million dollars, the biggest decline since December 1982 when they fell 21.5 percent. A ministry official said the weak exports can be taken as an indication of a slowing U.S. economy. Car exports to the U.S. dwindled 21.3 percent in value and 27.5 percent in volume during the month. U.S.-bound exports of audio-visual equipment and steel were also down, falling 20.9 percent and 38.1 percent, respectively. Among goods imported from that country, lumber, pulp and oil products showed strong performances, rising 15.1 percent, 66.3 percent, and 208.1 percent, respectively.

Falling exports and growing imports reduced Japan's surplus with the EC by 30.8 percent to 1,501.2 million dollars in December. Exports to the area went down 2.2 percent to 4,277.1 million dollars, while imports climbed 25.9 percent to 2,775.9 million dollars. Tracing the full-year trend, import growth was robust in alcoholic beverages and semiconductors, soaring 69.0 percent and 66.4 percent, respectively.

With Asia, Japan's surplus fell 13.1 percent to 2,489.8 million dollars, with exports down 2.6 percent to 7,803.4 million dollars, but imports up 3.2 percent to 5,313.6 million dollars. Assessing the monthly statistics, a ministry official cited brisk crude oil imports as the prime factor cutting the December surplus. In December, crude oil imports jumped 55.7 percent in value and 5.4 percent in volume as the average crude oil price rose 47.7 percent to 17.86 dollars per barrel from 12.09 dollars a year earlier.

"Looking back at past data, we can say that there will be no turnaround on the trade front for a while," the official said, referring to slowing car exports and rising crude oil imports. The ministry used an average exchange rate of 143.91 yen to the dollar for calculating exports in December, compared with 122.34 yen a year earlier. Imports were tallied on an average rate of 143.83 yen against 122.21 yen in December 1988.

Official Positively Assesses Zou Jiahua Visit

OW2401113790 Tokyo KYODO in English 1107 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—China has turned positive about improving ties with advanced Western democracies, as demonstrated in a meeting Tuesday between Chinese State Planning Minister Zou Jiahua and Japanese Foreign Minister Taro Nakayama, a top Foreign Ministry official said Wednesday. The official, speaking on condition of anonymity, said that while Zou did not divert from the official government line, he also did not criticize Western governments for their reactions to the crackdown on prodemocracy demonstrators last June. Instead, Zou "exercised restraint" and indicated that China was anxious to resume smooth relations with the West, the official said.

The official echoed Nakayama's remarks to Zou that various "constraints" remain unresolved on the implementation of Japan's 810-billion-yen, third loan package to China. The official said Nakayama's comment that China is widely perceived to be clamping down in the political sphere was a partial reference to human right's

problems. He said that while Japan is not in a position to dictate to China what it should do, it is in China's best interest to acknowledge that it is being criticized about alleged human rights abuses. Japan, however, did point to the Chinese Government's decision to release some 500 detained student activists, the official said.

The official said Nakayama also touched on economic topics, specifically saying that it is essential for China to translate into concrete deeds its pledges of firm adherence to open door and reform policies. Along that line, the official welcomed China's efforts to improve its investment environment. Zou informed Japan that China aims to modify regulations to allow foreigners to head joint venture enterprises and to allow overseas investors to retain their role in joint venture projects over the long term. Another official said that Japan hoped to convey to the Chinese, who have apparently been optimistic that Japanese aid would be more easily forthcoming after the recent lifting of martial law in Beijing, that more positive steps are still required.

Daqing Oil Imports to Remain at Current Level

OW1801142190 Tokyo KYODO in English 1213 GMT 18 Jan 90

[Text] Tokyo, Jan. 18 KYODO—Japanese imports of China's Daqing crude oil will remain unchanged at 9.1 million tons this year, industrial sources said Thursday. The announcement came after negotiations between Japanese oil companies and China National Chemicals Import and Export Corp., a Chinese oil supply concern. The oil for shipments to Japan during the first quarter this year was tentatively priced at 18.50 dollars per barrel, the sources said.

Both sides also set the price of Daqing crude oil imported during the October-December quarter in 1989 at 17.395 dollars per barrel against 17.12 dollars per barrel for the oil supplied during the preceding quarter, the sources said. The price of Chinese oil is usually set in accordance with that of Indonesian Minas crude oil, which is similar in quality to Daqing oil. The two countries will revise the volume and price of the annual oil supply around mid-year, if there is any change in supply and demand.

Daqing crude oil, which contains little sulfur, is suitable for use in thermal power generation, as is Indonesian oil.

Business Mission To East Bloc Set for Mar

OW1801142590 Tokyo KYODO in English 1311 GMT 18 Jan 90

[Text] Tokyo, Jan. 18 KYODO—Three major Japanese companies will send a joint mission to study economic conditions in the Soviet Union and in five Eastern European nations in March, industrial sources said Thursday. Mitsubishi Corp., the Bank of Tokyo and the Japan Travel Bureau will send the mission to the Soviet Union, Poland, Hungary, Czechoslovakia and East Germany, beginning on March 12. The members of the mission, 40 at the most, will be chosen from among employees of the three companies, the sources said.

Philippine Envoy Seeks To Reassure Investors

OW1801123590 Tokyo KYODO in English 1036 GMT 18 Jan 90

[Text] Tokyo, Jan. 18 KYODO—Japan could best help the Philippines to reduce its massive debt by assisting in export product development and by opening its market more to Philippine goods, Philippine Ambassador to Japan Ramon del Rosario said Thursday. "Trade is one area where we feel Japan could adopt a more forthcoming attitude," Rosario told reporters gathered at the Foreign Correspondents Club of Japan. "There's an old saying—trade is preferable to aid, because with trade you earn with self-respect the ability to pay your debt," he said. Rosario, a top business figure in the Philippines, called for greater access to the Japanese market and for the transfer of Japanese export development know-how.

While welcoming Japanese credit, he said a more "genuine" means of repaying the country's 27-billion-dollar external debt is with foreign exchange earned through trade. Japan is the Philippines' largest bilateral aid donor, having pledged some 1 billion dollars for fiscal 1989, which ends in March 1990. Two-way trade between the two countries in the first half of 1989 totalled some 2.2 billion dollars, with a slight surplus in Japan's favor, officials said. Rosario sought to reassure his audience on the prospects for the Philippine economy in the aftermath of the sixth and biggest coup attempt yet against the government of President Corazon Aquino last December.

"Although the country did suffer because of the failed coup, the economic fundamentals have nonetheless remained basically sound," the diplomat said. Touching on the investment climate, Rosario said 770 million dollars in new investment projects and expansion of existing ones were approved in December, "after the failed coup attempt." He called the figures "indicative of still strong confidence of foreign investors in the Philippine economy."

The ambassador brushed aside assertions that Japanese investors are conservative compared to their Western counterparts. "I would say that Japanese are the most bullish," he said. "They have a very identifiable program of expansion and the Philippines is part of their Southeast Asia program."

Japanese companies are keen to maintain their overseas markets amid the high yen by switching to cheaper import sources such as the Philippines while the government is anxious to recycle dollars and narrow trade imbalances, he said. Rosario said top leaders of Sony Corp., which had deferred investing in the Philippines following the coup attempt, plan to implement one major project and would start another after next summer.

Japan topped the United States and Taiwan in 1989 to become the largest foreign investor in the Philippines, according to recent Philippine Government statistics.

Nagasaki Mayor Issues Message on Shooting

OW2201121090 Tokyo KYODO in English 1110 GMT 22 Jan 90

[Text] Tokyo, Jan. 22 (KYODO)—Nagasaki Mayor Hitoshi Motoshima said Monday he thought he would die when he was shot and seriously wounded by an extreme rightist outside City Hall on Thursday. In a message delivered by doctors at the Nagasaki Municipal Hospital, the 67-year-old mayor said he vomited a lot of blood and felt his strength wane after a bullet passed through his left chest. The Catholic mayor also thought about whether he has fully fulfilled his mission of helping people suffering from hardships, his message said. Motoshima expressed gratitude to people at home and abroad who sent consoling and encouraging messages to him after the shooting. The doctors said Motoshima is making a smooth recovery from the gunshot wound.

Kazumi Tajiri, 40, a member of a rightist group, was arrested Thursday on a charge of attempted murder of the mayor. The major has been a target of rightists' criticisms for stating in 1988 that Emperor Showa was partially responsible for Japan's involvement in World War II. The emperor died in January the following year.

Minister, Government at Odds on Rice Strategy

Matsunaga Criticizes Policy

OW1801153290 Tokyo KYODO in English 1357 GMT 18 Jan 90

[Text] Tokyo, Jan. 18 KYODO—International Trade and Industry Minister Hikaru Matsunaga on Thursday criticized his cabinet colleague for finding wrong reasons in shutting foreigners out of the Japanese rice market, calling the "food security" view "contradictory" to free trade principles. The idea of "food security," being promoted by the Ministry of Agriculture, Forestry and Fisheries in the Uruguay round of multilateral trade negotiations goes against free trade principles under the auspices of the General Agreement on Tariffs and Trade (GATT), Matsunaga told the National Press Club.

The MITI head, in an extraordinary action as a cabinet member, urged a strategic turnaround in Japan's farm policy and noted that a "food security" argument that seeks to ban imports of foreign rice will not be accepted by other countries. Responding angrily to Matsunaga's remarks, a senior Agriculture Ministry official who asked anonymity said the Japanese Diet (parliament) made a resolution to oppose liberalization of the rice market in September 1988.

Based on the resolution, Agriculture Minister Michihiko Kano rejected a U.S. request to open the market at a four-way ministerial meeting on farm trade in Florida in early January. At the meeting Kano said self-sufficiency in rice, which is a staple food for Japan is essential to national security, the official said. Major Japanese political parties, including the ruling Liberal Democratic Party, uniformly reject foreign access to Japan's rice market to protect the interests of Japanese farmers.

Later in the day, Matsunaga, calling an emergency press conference at his ministry office, said his remarks at the National Press Club are a "personal opinion" and do not reflect the cabinet's stance.

"We must respect the Diet's resolution to oppose liberalization of the rice market," Matsunaga said.

The emergency press conference was held after Agricultural Minister Kano made a phone call, protesting Matsunaga's remarks and calling for the withdrawal.

Government Reaffirms Stand

OW1901081790 Tokyo KYODO in English 0716 GMT 19 Jan 90

[Text] Tokyo, Jan. 19 KYODO—The Japanese Government reaffirmed its basic policy of maintaining self-sufficiency in rice Friday, government sources said. They said the policy was reaffirmed at the day's cabinet meeting following a speech made the previous day by International Trade and Industry Minister Hikaru Matsunaga indicating his view that Japan can no longer resist foreign pressures to open up its rice market.

Prime Minister Toshiki Kaifu took up the issue at the meeting and said he deeply regrets the statement by the MITI [Ministry of International Trade and Industry] head, and that it deviated from the government's basic policy, the sources said. At the same time, Kaifu warned cabinet ministers to exercise proper care in their statements. Matsunaga apologized for the "confusion" triggered by his statement. He said he meant to convey his recognition of the tough international situation concerning agricultural issues.

The meeting supported a proposal by Chief Cabinet Secretary Mayumi Moriyama that the government reiterate that it respects a Diet resolution to oppose liberalization of rice imports and will continue the policy of self-sufficiency. In a related development, Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party (LDP), told a press conference after the cabinet meeting that he deeply regrets Matsunaga's remarks. "The government and the LDP stand firm to stick to the self-sufficiency policy," he said.

Matsunaga said Thursday the "food security" stance maintained by Japan in the current Uruguay round of multilateral trade talks "contradicts" the objectives of the General Agreement on Tariffs and Trade (GATT), which are aimed at achieving free global trade, including agriculture. At a press briefing following Friday's cabinet meeting, Matsunaga said he explained to Kaifu his "true intent" in making such remarks Thursday.

"I explained to the prime minister that what I meant was that considering the tough mood in international circles, Japan cannot cling to the self-sufficiency position in rice," Matsunaga said.

"But I respect the government position and thus will abide by that from now on," he added. The MITI chief refused to retract his comments made Thursday, saying the LDP and the government have yet to come up with a concrete stance on the rice issue. Matsunaga's remarks have drawn strong opposition from Agriculture Minister Michihiko Kano and other ministers, who accused the trade minister of being irresponsible in making such remarks on such a sensitive issue. Kano told Matsunaga on Friday the government should continue to maintain the self-sufficiency position in rice, as it is the nation's staple food.

Matsunaga's remarks made Thursday also drew harsh criticism from Japanese farmers. The Central Union of Agricultural Cooperatives (Zenchu), an influential nationwide group of Japanese farmers, issued a statement Friday criticizing him. It said Matsunaga's statement was "abrasive" to Japanese farmers and they feel "strongly indignant" about it.

"Opening the Japanese market to rice imports would run counter to a Diet resolution and would deal a serious blow to Japanese agriculture," the farmers' statement said. "The Japanese Government should not budge one iota in the GATT negotiations on agricultural issues," it added.

North Korea

North-South Paliamentary Meeting Reported

SK2401065790 Pyongyang Domestic Service in Korean 0440 GMT 24 Jan 90

[Text] The tenth round of meeting between the delegates of the North and the South for the combined parliamentary conference of the North and the South was held in the southern area of Panmunjom today. Present at the meeting from our side were deputies of the Supreme People's Assembly Chon Kum-chol, chief delegate, and delegates An Pyong-su, Yi Tong-sol, Yi Tu-ung, and (Pang Mun-chan). Attending from the South side were five delegates including Chae Mun-sik, chief delegate. Many domestic and foreign reporters came to Panmunjom to report the meeting.

Chon Kum-chol, chief delegate of our side, spoke at the meeting:

[Begin recording] Today we meet for the tenth time following the ninth meeting we had last year. The parliamentarians of the North and the South have met before, but today's meeting is very significant in that this is a dialogue between the politicians of the North and the South held for the first time in the 1990's sending off the 1980's.

The tragedy of national division, which began in the 1940's, has continued in our country for nearly half a century up to today when the 1990's have begun. This is a historical tragedy that should never be tolerated in view of both national independence and humanitarianism. It is lamentable that our nation, which has persisted with one bloodline, has lived divided for nearly half a century, and the politicians of the North and the South as well as our generation living today would incur great resentment from history and the nation if they prolong this tragedy to the next (?generation).

I think that we politicians should never neglect the fact that not only the people in the North but also the people of all walks of life in South Korea, prompted by the national conscience and self-awareness that they can no longer live divided and that they should not live as they do, are yearning more and more for independence and peaceful reunification with each passing day.

Today's reality is that irrespective of political view, religous faith, age, and sex, many people truly concerned over the fate of the country and the nation are experiencing great pain and suffering and are risking their lives to conduct dialogue for reunification with their brethren in the North and to think of ways to achieve reunification, launching themselves on the road of reunification without hesitation and even allowing themselves to be imprisoned. This shows that the nation's yearning for reunification can not be blocked or stopped by physical force.

In view of the [word indistinct], it is an unstoppable trend of the times that the nations of the many continents are aspiring for independence, pioneering their destiny by themselves. Today when the people in another divided country pulled down the wall of division opening the way for visits to each other, it is painful national shame that our nation, which has created a great history as one country, as one nation, should not be able to pull down the wall of national division forced upon us by (?foreign forces) and live as men in keeping with the times. We can no longer prolong the state of division indefinitely. I think that we should bring about a turning point for fatherland reunification by all means in the 1990's.

As you delegates know, proceeding from the independent stand of the nation and reflecting the upsurging will of the nation for reunification, our side put forward a proposal to remove the barrier of division and to realize free travel and total openness between the North and the South this year, the first year of the nineties, and, to this end, to convene a consultative conference of the authorities and the leaders of political parties of the North and the South in which the highest level leaders would participate. This important national salvation proposal is a very fair, above board, and practical proposal which makes it possible to remove obstacles on the road toward renuification, to eliminate the tightly sealed off nature of relations between the North and the South, and thus to open an epochal situation for national reunification.

For the North and the South which have lived for several decades amid a state of confrontation and antagonism to advance along the road of reunification and [words indistinct], it is imperative to eliminate the barrier which

has caused the present tightly sealed off relations between the North and the South so that the North and the South can advance along the road of free travel and dialogue. Talking about reunification while evading free travel and openness and asserting a gradual exchange only is empty talk. We cannot but regard this as a passive and partial talk and as a talk designed to continue the present state of division [words indistinct].

Dialogue and exchange between (?a handful of persons) cannot deepen the foundation of reunification. For the North and the South to pioneer the road of reunification, the conditions under which the people of all walks of life in the North and the South can freely visit with each other without any restrictions, grasp and understand the real situation of the other side, remove misunderstanding and distrust, and thus open a new life for the nation should be created first.

Proceeding from such a stand and for the realization without restrictions of free travel, contact, and (?total openness) between the people of all walks of life in the North and the South, including workers, peasants, youths, students, politicians, businessmen, men of the culture, and religious figures, we proposed the removal of the concrete wall built in the area south of the Military Demarcation Line, the symbol of national division and North-South confrontation. Along with this, we also hold that all fields—political, economic, and cultural—be totally opened.

Under today's situation in which political and military confrontation has become acute, removing the barrier between the North and the South and realizing free travel and total openness between them is not a simple problem that can be solved through an administrative process by the authorities of the North and the South. In other words, this is a very important political issue which can be solved only through sincere discussions and determination of the authorities and the leaders of political parties which represent the political circles of the North and the South. It is also a nationwide issue which is closely related to the [word indistinct] of all of the nation.

Precisely herein lies the urgent need for and inevitability of an immediate convocation of a consultative conference of the authorities and the leaders of political parties of the North and the South in which the highest-level leaders participate. We should not merely welcome and envy that other people have removed the barrier of division and [word indistinct] barbed wires, but should make a resolute decision on removing a similar barrier which exists in our country. Therefore, I think that we should not hesitate to convene a consultative conference of the authorities and the leaders of political parties of the North and the South.

I think that to put an end to the division of the nation, all patriotic politicians should not be taken prisoner by the existing useless concepts of confrontation and antagonism, but should play leading roles in opening the road of national reunification by realistically viewing current reality and solving problems in the spirit of national reconciliation and unity and with a progressive sense of awareness.

I express the expectation that the delegates of the South side who are present here today and all politicians in the National Assembly will make due efforts to realize, at the earliest possible date, a consultative conference of the authorities and the leaders of political parties of the North and the South, in which the highest-level leaders would participate, for the removal of the barrier between the North and the South and for the realization of free travel and total openness between them.

Delegates of the South side: The responsibility of our politicians in the North and the South—who, after sending out the eighties during which all the nation seethed with the urgent desire for national reunification, have greeted the start of the nineties during which the prospects for reunifícation are to be seen—is very heavy and important. Proceeding from the firm and invariable will to create a situation favorable for reunification in the nineties at any cost, we have made all possible efforts to have the ongoing multilateral North-South dialogue substantially contribute to the cause of reunification and have been doing our best to bring it to success.

Nevertheless, at a time when the (?desire for reunification) is increasing, this year your side has announced the plan to stage the "Team Spirit-90" joint military exercise, a large-scale military exercise, together with U.S. forces. We cannot repress our surprise at your side's attitude of attempting to stage a large-scale war exercise in collusion with foreign forces, opposing (?our efforts) to achieve national reconciliation, unity, detente, and peace and to open the road of reunification together.

We cannot but regard this as an insolent and rude act which disappoints not only us, a party concerned with dialogue, but also all the nation. Your side's attitude which has brought about [word indistinct] and intentionally highetened the situation by announcing the plan for the "Team Spirit-90" joint military exercise at a time when the multilateral North-South dialogue, including the (?contact between parliamentarians), has entered a concluding stage.

Speaking of the "Team Spirit" joint military exercise, in light of its scale of military troops to be mobilized, in light of the quality and quantity of the military equipment to be mobilized, and in light of its character as a military exercise, it is an offensive war exercise, a nuclear war exercise, and a preliminary effort to attack the other side engaged in dialogue at a decisive moment.

Talking about the exercise as it it were an annual exercise and a defensive exercise, your side clamored about inviting observers and the like. However, there is no one in the world who (?regards) as a (?defensive exercise) this dangerous war exercise in which hundreds of thousands of military troops armed with up-to-date military weapons and equipment will stage in the area close to us, firing (?live) cartridges.

That one side put forward a national salvation proposal for reunification and has sincerely demanded holding dialogue and negotiations for its realization while the other side has answered the proposal with the announcement of the plan to stage a large- scale joint military exercise, a war exercise, this year, far from responding to our proposal, cannot but be an antidialogue and antireunification stand which rejects dialogue and reunification.

Dialogue and war exercises are imcompatible. This is a seious lesson shown in the [word indistinct] of the past period. This was also clearly proven in the fact that the North-South dialogue was suspended last year [word indistinct].

We had the expectation that your side would not stage the "Team Spirit" military exercise beginning this year, [words indistinct] North-South dialogue [words indistinct] we expected that your side would at least eliminate the participation of foreign troops in the exercise, change the name of the exercise, and drastically reduce its scale. However, against our expectation, even entering the nineties, your side is attempting to stage the "Team Spirit" joint military exercise as in the past.

What has surprised us and [words indistinct] is that even this year when all regions of the world are seeking detente and peace, your side is planning to stage a large-scale war exercise under the pretext of blocking someone's infiltration. This is a product of the anachronistic cold war policy and cannot but be an act which can be pe.. ,trated only by those who are interested in war rather than in peace.

Regarding the staging of a large-scale war exercise as of greater importance than the holding of dialogue with us, your nation is committing an antinational, flunkeyest act that is a disgrace to the nation. I think that your side should ponder your plan to stage a reckless war exercise which threatens our nation by mobilizing tremendous foreign military troops while talking about dialogue with this same nation and opening the road to independent and peaceful reunification. A large-scale war is bound to [word indistinct], create distrust and to further heighten tension. It also not only creates (?obstacles) to the future road of dialogue, but also is an invitation to war.

I hold that your side should exercise due influence to cancel the plan for the "Team Spirit-90" joint military exercise even now if it really has the will to peacefully settle North-South relations through dialogue and to achieve reunification. We not only have told you many times that the adventurous large-scale joint military exercise will aggravate the situation and thus lead it to the brink of war and is a decisive obstacle to dialogue, but have also directly warned your side at the table of dialogue.

We think that in order to make smooth progress in the dialogue between North-South parliamentarians and keep it on its normal track, your side's attitude and stand to suspend the "Team Spirit" joint military exercise should be clearly expressed first of all. Therefore, we prospose to your side that the issue on suspending the "Team Spirit 90" joint military exercise be presented first as an urgent agenda item and discussed in today's meeting before we start discussing the issue of the working contact. [end recording]

This has been the statement of Chon Kum-chol, head of our side, made in the 10th contact between the delegates of the North and the South for North-South joint parliamentary talks.

North-South Talks Delegations Issue Statement

SK2301152790 Pyongyang KCNA in English 1509 GMT 23 Jan 90

["Joint Statement of North Side's Delegations to North-South Talks"—KCNA headline]

[Text] Pyongyang January 23 (KCNA)—The North side's delegation to the preliminary talks for the North-South high-level political and military talks, the North side's delegation to the Panmunjom meeting of parliamentarians of the North and the South, the North side's delegation to the North-South sports talks and the North side's delegation to the North-South Red Cross working-level contact, on January 23 published a joint statement urging the South side's delegations to take a correct stance and approach with sincerity our new save-the-nation proposal.

Noting that the new proposal for negotiation and policy of North-South dialogue indicated by the great leader Comrade Kim Il-song in his New Year address are a step signifying a turning point which makes it possible to remove the obstacles and difficulties lying in the way of reunification and fling open the door of reunification and improve the overall North-South relations, and it is evoking ever greater support and sympathy from the people at home and abroad, the joint statement says:

The new save-the-nation proposal and the policy of North-South dialogue specified by the great leader in his New Year address serve as a bright beacon and inspiring banner opening a broad avenue for accomplishing the cause of national reunification in the 1990s.

Accordingly, how to approach our new save-the-nation proposal is immediately a touchstone distinguishing between the stand of reunification and of division.

Anybody who truly has the intention to work to remove the barrier of division and realize free travel and complete opening in our country and thus rejoin the severed blood veins of the nation and reunify the country should spare no sincerity and efforts in carrying our new epochal national salvation proposal into practice.

Here the responsibility assumed before the nation by the delegates to the on-going North-South talks is heavy and their role is important.

As is clear to all, a conference for pulling down the barrier of division and realizing free travel between the

North and the South and complete opening is aimed at opening a broad avenue for national reunification, while all the talks under way between the North and the South are, to all intents and purposes, intended to accelerate national reunification, the cherished desire of the nation.

Under such conditions, all the delegates to the preliminary talks for North-South high-level political and military talks, to the meeting between parliamentarians of the two sides for a North-South joint parliamentary conference, to the North-South sports talks and to the contact between working delegates of the North and the South Red Cross organizations, as dialogue partners, must have a correct stance and respond to our new save-the-nation proposal for national reunification with a good will.

The delegates of the South side to the talks who are fond of talking about reunification are taking a very improper stand in the foreground, claiming preposterously that there is no "concrete wall" in the area south of the Military Demarcation Line and our save-the-nation proposal is a "political propaganda."

They, afraid of public opinion at home and abroad, pretend to "welcome" our proposal for free travel and complete opening, but in actuality avoid its realisation and are creating even artificial difficulties.

The South Korean authorities not only rejected the request of our side to let it convey the letter carrying our new save-the-nation proposal directly to the parties to negotiation in Seoul at the beginning of the year but also have failed to give a reply to it until now ten odd days after the letter was handed over at Panmunjom. This fact clearly shows their insincere attitude lacking interest in the solution of the reunification question.

The delegations of the North side to multi-channelled talks between the North and the South express deep regret and concern over such attitude of the South Korean authorities and cannot but denounce their anti-dialogue, anti-reunification acts to freeze division, refusing to see the growing desire of the nation for reunification even in the '90s.

We hold that the South Korean authorities should now look squarely at the will of the whole nation for reunification and the irresistible trend of global independence and take the road of pulling down of their own accord the barrier they built and ensuring free travel and complete opening.

The delegations of the North side to the North-South talks will make every effort to realise our new save-the-nation proposal at an early date and actively promote the on-going talks in various fields in keeping with the expectation and desire of the whole nation.

The matter depends on the attitude of the South side.

We, together with the whole nation, will watch the attitude of the South Korean authorities.

Yang Hyong-sop Issues Statement

SK2301153790 Pyongyang KCNA in English 1523 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—Yang Hyong-sop, chairman of the parliamentary group of the Democratic People's Republic of Korea, in a statement issued to the press today urged the South side to respond to our sincere proposal on forming a North-South single delegation to the conference of the Interparliamentary Union.

Recalling that on January 17 he sent to the chairman of the parliamentary group of South Korea a letter proposing to discuss at the talks between the parliamentary groups of the North and the South the question of hosting in Pyongyang the 84th conference of the Interparliamentary Union slated for this fall and forming a North-South single delegation to the conference, he says:

This proposal made by us this time to the South side proceeds from our strong wish to make a greater contribution to the work of the organisation through this and, particularly, to help even a little realise national reunification, our nation's cherished desire.

As our proposal takes into consideration the view of the organisation that hosting of the IPU conference in Pyongyang would be favourable to the cause of the reunification of our country and be of help to the work of the organisation, too, it is a very just proposal both in view of the work of the organisation and of the urgency of the cause of national reunification.

That was why the IPU said it would approve our proposal only if the North and South of Korea agree upon it.

But the South Korean side sent no reply to the letter carrying our sincere proposal and on January 19 held a press conference at which it took the stand of refusing to accept our proposal without any proper reason, just terming it a "proposal only for propaganda purpose" and "something unprecedented in the history" of the union and arguing that "it is impossible to achieve consensus."

This action on the part of the South side is a rude behaviour lacking such elementary etiquette to reply to the letter of the other side proposing to have talks between delegates of the parliamentary groups of the North and the South.

The South side said it opposes our proposal because it is unprecendented in the history of the union, but if the North and the South form a single delegation to attend the conference of the union and contribute better to the work of the union with concerted efforts, not confrontation, within the framework of the union, it will conform to the purpose and activity of the union.

Therefore, there is no ground for us to fail to do it because it is unprecedented in the history of the union.

And the union and the parliamentary groups of the member nations are warmly welcoming our proposal.

The South side asserted that "it is impossible to achieve a consensus" in case of forming a North-South single delegation. As for this argument of the South side, it is nothing but an excuse not to accept our justifiable proposal, considering that it is a common phenomenon for the delegation of a country to the interparliamentary conference to comprise parliamentarians of different political views and its vote is split.

And the South side evaded the convocation of the talks, describing our proposal as "for propaganda purpose" as soon as they received our letter, without having talks with us. This cannot be construed otherwise than an act hating a reunification-oriented initiative.

By pretending to oppose our proposal out of the intention to direct efforts to the North-South parliamentary talks, while failing to approach the North-South parliamentary talks for the solution of the reunification question with sincerity, the South side self-exposed that it does not have the least interest in the question of national reunification.

This shows that the South side has no intention either to contribute to the work of the union.

The South side should respond to our sincere proposal for pooling efforts of the North and the South, not seeking confrontation, in the international organizations, in keeping with the demand of the present international situation heading for detente.

We will continue to make active efforts to form a North-South single delegation to the interparliamentary conferences in the future.

TASS Article Supporting Reunification Cited

SK2301053690 Pyongyang KCNA in English 0445 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—TASS in a commentary captioned "Korean People Intensify Their Struggle for National Reunification" January 19 said:

The Democratic People's Republic of Korea put forward new initiatives one after another, proposing to the South Korean authorities to hold an open-hearted and all-round political dialogue to realize the independent and peaceful reunification of Korea.

The reinforced concrete wall built by the South Korean "regime" is the offspring of military confrontation and anti-communist frenzy. This is a symbol of confrontation and, accordingly, it must be pulled down.

This proposal put forward by Kim Il-song, president of the Democratic People's Republic of Korea and general secretary of the Central Committee of the Workers' Party of Korea, enjoys the support of the broadest sections of the Korean people and evokes strong global response.

The DPRK's proposal to convene a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part is appreciated as a practical step for deepening mutual understanding on the Korean peninsula. This will create a most favorable condition for pulling down the barrier of division, realizing free travel and flinging the door open between the North and the South of Korea in political, economic, cultural and other fields. The wise and viable proposals, truly representing the interests of the entire people, conform to the atmosphere of the present international political life.

But the South Korean authorities are keeping mum about the matter of demolishing the wall and did not respond to the plan to convene the conference.

This notwithstanding, the DPRK's initiatives are making a noticeable breakthrough in the barrier of division.

Sentencing of Yim Su-kyong, Rev. Mun Denounced

SK2301052490 Pyongyang KCNA in English 0456 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—The No Tae-u fascist clique at the "final trial" in the puppet Seoul District Criminal Court on January 22 demanded a prison term of fifteen years for coed Yim Su-kyong and ten years for Father Mun Kyu-hyon by invoking the "National Security Law", according to a report.

The fascist clique forced the "defendants" out of the courtroom when Yim Su-kyong shouted "abolish the 'National Security Law' blocking national reunification" and other slogans, entering there and then committed the lawless act of demanding harsh penalties for them in their absence.

Such "trial" is a vicious reactionary offensive against the patriotic democratic forces of South Korea calling for national reunification and a political intrigue which can never be condoned.

The trip of Yim and Mun to Pyongyang cannot be incriminated on any account and it is a grand deed that deserves praise and support.

At a series of fascist murderous "trials" they proved the justice of their act with an irrefutable logic.

And the observers moved by their righteous and courageous acts, strongly demanded a stop to the illegal "trials" and expressed their resentment by their walkout.

By demanding heavy penalties for Yim Su-kyong and Mun Kyu-hyon, despite the strong opposition and denunciation at home and abroad, the No Tae-u fascist

clique stripped themselves bare to the world as truculent fascist hangmen and a band of traitors to the nation.

Press Denounces Sentences

SK2401053290 Pyongyang KCNA in English 0502 GMT 24 Jan 90

["It Is the Puppets Themselves Who Should Be Punished"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—NODONG SINMUN and MINJU CHOSON today come out with commentaries denouncing the No Tae-u military fascist clique for demanding prison terms of 15 and 10 years respectively for woman student Yim Su-kyong and Father Mun Kyu-hyon on January 22 by invoking the notorious "National Security Law."

Noting that the "trial" of them by the No Tae-u fascist clique was part of their malicious reactionary offensive against the South Korean patriotic forces which call for national reunification and it was a never-to-be-condoned political intrigue, the news analyst of NODONG SINMUN says:

Coed Yim Su-kyong participated in the Pyongyang festival with a view to realizing the ardent desire of the one million students and other people of South Korea for national reunification. A young girl student, she visited Pyongyang across the death line to stir up the fellow countrymen with the ardent desire for reunification, shouting our country is one and our nation is homogeneous.

Father Mun Kyu-hyon visited Pyongyang with the single desire to work for an early achievement of national reconciliation and reunification and to give strength and courage to coed Yim who fulfilled a praiseworthy mission for national reunification, and accompanied her to South Korea through Panmunjom.

That is why the whole nation and the world's peace-loving people unanimously praised the patriotic deed of coed Yim, affectionately calling her "the flower of reunification," "a proud daughter of the Korean nation," and strongly denounced the No group for persecuting her.

The No group is, however, trying to punish coed Yim and Father Mun as "criminals" at the instigation of the U.S. imperialists and thus to justify its criminal act in enforcing the bloody "security-oriented politics," further intensify its bayonet suppression of the patriotic forces which call for national reunification and bolster up the military fascist dictatorship now in the grip of a crisis. However, it can never be a way of prolonging its remaining days.

Those who should be punished are not coed Yim and Father Mun who had treaded a path of patriotism to the North for the sake of national reunification but the No group of traitors who persecute them and act the enemy of reunification.

The news analyst of MINJU CHOSON stresses that the No group must withdraw the penalties it imposed on coed Yim and Father Mun, unconditionally release them, abrogate the "National Security Law," an anti-reunification evil law, and step down.

Yim Su-kyong Letter Published

SK2101085590 Pyongyang KCNA in English 0812 GMT 21 Jan 90

[Text] Pyongyang January 21 (KCNA)—The newspaper MINJU CHOGUK of Koreans in West Germany reprinted a letter of student Yim Su-kyong, "flower of reunification," from prison from the January issue 1990 of the South Korean monthly MAL.

In the letter she asks herself: What shall I do in this age full of regret at the bisected country in a cold wave of the "security-oriented politics" which impended right after the patriotic visit to the North of Rev. Mun Ik-hwan who has devoted 70 years of his life to democracy and reunification.

Saying that she also set foot on the land the visit to which is prohibited following the footsteps of Rev. Mun Ik-hwan in search of reunification, she writes that the land of the North beyond the barbed wire entanglements can no longer be the forbidden land. She goes on:

The season changed as I spent 20 days in an underground secret room on which I do not like to look back any more for I felt they were much longer than my 22-year life. A totally fabricated "case" was announced in autumn when I, dressed in grey prison uniform and bound to a red policeman's rope, was transferred from Seoul Prison to the prosecution building in Socho-tong.

Although I am locked in a solitary cell of one pyong, I feel I am always among dear students, alive with the struggle. I am going to stand this winter, not feeling cold because there are loud cries for national reunification which are much warmer than a cold wave of the "security-oriented politics" though it has not yet ended.

In the hope of being a footing stone for a hopeful future of a reunified country in the new year, I extend my unchangeable warm love to the fellow students in the North, to the brothers and sisters overseas and to the 70 million brothers and sisters in the North and the South who are sure to be reunited into one eventually.

Reunification is the only way out and if for my body to be torn to pieces helps reunify the bisected country into one, I will be proud of meeting such a lot.

Daily Criticizes U.S. Influence in Angola

SK2301103590 Pyongyang KCNA in English 1016 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—If the U.S. imperialists truly want a peaceful solution of the

Angolan affairs, they should discontinue their interference in the Angolan affairs and their support and assistance to UNITA, says NODONG SINMUN today in a signed article on the Angolan situation which is growing tense.

Accusing the U.S. ruling quarters of groundlessly charging that the Angolan Government is intensifying "military offensive" and "military advisers" of some countries are participating in military operations in Angola, the paper says: Lurking behind such propaganda run through with lies and fabrication is the sinister intention of the U.S. imperialists to use the UNITA [National Union for the Total Independence of Angola] counterrevolutionary elements as a shock force in obstructing a peaceful solution to the Angolan question and realizing their ambition to dominate southern Africa.

Pointing to the fact that as developments in Angola are becoming more unfavourable to UNITA, the U.S. reactionary rulers summoned Savimbi, head of the UNITA counterrevolution bandits, in October last year and assured him of U.S. continued support, the paper stresses that the U.S. imperialists try to disarm the Angolan people and instigate UNITA to overthrow the Angolan Government behind the curtain of "peace" and "detente".

The deadlock of peace process in Angola is entirely attributable to the UNITA clique who did not show sincerity but is resorting to reckless military offensive, the paper says, adding:

The U.S. imperialists and the UNITA reactionaries should sincerely respond to the earnest efforts of the Angolan Government and people for peace and stability of the country.

Taiwanese Economic Delegation Denied Visit

SK2401102790 Pyongyang KCNA in English 1019 GMT 24 Jan 90

[Text] Pyongyang January 24 (KCNA)—The Japanese paper NIHON KEIZAI SHIMBUN reported recently that an economic delegation of Taiwan will visit the Democratic People's Republic of Korea in April.

This is a completely unfounded false report.

We make it clear that we have neither invited any Taiwan economic delegation nor have the intention to receive it.

We have not recognized the Taiwan authorities from the beginning nor have any dealings with them. It is quite unthinkable that we invite a Taiwan economic delegation or receive it.

The report of the NIHON KEIZAI SHIMBUN that "the visit of a Taiwan economic delegation to North Korea has been formally decided" and "the delegation will arrive in Pyongyang on April 2" is obviously motivated by a very sinister political purpose, which is an insult to our principled stand.

It is a vicious artifice to drive a wedge in the Korea-China friendly relations which are daily growing stronger.

We have always recognized and recognize the People's Republic of China as the sole legitimate government of the Chinese people. The Chinese people are a class ally and close comrade-in-arms of the Korean people. The Korean people set store by the sense of revolutionary obligation. They will not abandon it under any circumstances.

Taiwan is a part and parcel of the Chinese territory. The Chinese people are struggling to reunify the whole of China against the "two Chinas" plot of the imperialists. The Korean people always extend full support and solidarity to the Chinese people in this just cause of reunification.

In the future, too, we will never recognize such puppet regime as the Taiwan authorities nor have economic and any other relations with them.

Foreign News Media Report Kim Il-song Address

SK2101080590 Pyongyang KCNA in English 0800 GMT 21 Jan 90

[Text] Pyongyang January 21 (KCNA)—Foreign news media continue to report the New Year address of the great leader President Kim Il-song.

The Chinese JILIN DAILY and YUNNAN DAILY carried the content of the New Year address under the respective titles "President Kim Il-song Delivers New Year Address. Korea Will Continue To Defend Socialism" and "President Kim Il-song Delivers New Year Address, Declaring Korea Will Invariably Hold Fast To Independent Stand and the Stand of Socialism."

Other Chinese papers LIAONING and YANBIAN DAILIES printed the gist of the New Year address.

The Cuban PRENSA LATINA News Agency, Central TV Broadcasting and Radio Havana, Radio Rebelde, Radio Progresso and Radio Havana City gave a detailed gist of the New Year address.

The gist of the New Year address was carried by the Vietnamese paper NHAN DAN, the Mongolian papers UNEN, ULAAN-OD and KHEDELMER and the MONTSAME.

The Yugoslav Belgrade TV Broadcasting repeatedly reported the part of national reunification from President Kim Il-song's New Year address with a portrait of him on the screen. Similar content of his New Year address was reported by the TANJUG and Radio Belgrade.

The New Year address was reported by the Romanian news agency and radio, the Polish papers TRYBUNA

LUDU, RZECZPOSPOLITA, ZYCIE WARSZAWY and SZTANDAR MLODYCH and TV broadcasting.

Editorial Urges Upsurge in Socialist Construction

SK2201072690 Pyongyang Domestic Service in Korean 2100 GMT 12 Jan 90

[NODONG SINMUN 13 Jan editorial: "Let Us Bring About a Great New Revolutionary Upsurge in Socialist Construction by Highly Upholding the Party's Militant Appeal"]

[Text] The 17th plenary session of the 6th Central Committee of the Workers' Party of Korea [WPK] ended in success, holding discussions on further launching a powerful drive in the struggle for increased production and economy in all sectors and units of the people's economy. The plenary session was conducted in a magnificent environment in which it opened the first march of the hopeful nineties. This session was a significant one in which it provided a new momentum to socialist construction.

At the plenary session, the great leader Comrade Kim Il-song gave pragmatic teachings concerning important struggle tasks, urgent struggle goals, and methods of carrying them out to intensify our country's socialist construction on to a higher stage in the nineties. The teachings of the respected and beloved leader Comrade Kim Il-song is a firm guideline which our party and the people must firmly follow. It is a encouraging banner calling all the party and the people to greater strides and innovation. The important spirit that permeated this plenary session was the desire to consolidate the already laid economic foundations and make them prove their worth, thus once again effecting a new great revolutionary upsurge in socialist construction.

The great leader Comrade Kim Il-song has taught in this year's New Year address: We must launch a powerful mass campaign to increase production and economize to the maximum by displaying the revolutionary spirit of self-reliance and fortitude in this year, the fourth year of the Third Seven-Year plan, and bring about another great revolutionary upsurge in socialist construction. The most important issue put forth in today's socialist economic construction is to utilize to the maximum the already provided potentiality for production. Under the wise leadership of the party and the leader, our people in the past successfully put forth unprecedented large-scale constructions, strengthening the basis of industry's material and technology which is beyond comparison.

Especially through the great construction combat of the eighties which was to realize the magnificent construction plan of the party, large-scale hydroelectric and thermal power stations, non-ferrous metal mines and refineries, modern metal plants and iron ore production bases were constructed and expanded; machine industries and electronic and automation industries were developed; and construction of new large-scale chemical industrial bases and modern heavy industrial bases were successfully promoted.

The economic resources which our people created through fortitude are very powerful and their potential for production very great. The issue of bringing about a new leap forward in economic construction is completely dependent upon how to harness the potentiality of our economy.

The plenary session set forth the slogan of "Let us make the already laid economic foundations prove their worth through increased production and economy," and appealed for vigorously launching the struggle for increased production and economy in all sectors and units as a mass movement. This slogan put forward by the party is a slogan of self-reliance to build socialism better our own way with our own strength, technology, and economic foundations, and a slogan of general mobilization which calls the revolutionary enthusiasm of our people into fullest play and makes the whole country seethe with the spirit of great upsurge.

It is our party's intention at the plenary session to make the whole party, the whole country, and the entire people embroider the nineties with the most brilliant great revolutionary upsurge through a dynamic struggle once again by highly upholding the slogan of increased production and economy. The 17th plenary session of the 6th Central Committee of the WPK occupies an important place in the struggle history of our party and the people. Most of all, the plenary session has great significance because it succeeded and developed the history of the great chollima upsurge which was to become a stepping-stone for the great new upsurge of the nineties.

During the postwar days when everything was in ruins, our party put forth the slogan of increased production and economy to the maximum and vigorously carried out the struggle, thus bringing about the great chollima upsurge. This plenary session put forth excellent struggle goals and tasks for increased production and economy, and with the spirit of the period of the great chollima upsurge, new potential for speed in the nineties was created and there was an ardent appeal to achieve epoch-making turning points in socialist construction from the first year of the nineties.

This plenary session is a significant session which offered an occasion for a new leap in socialist construction by brilliantly carrying forward the tradition and history of the great upsurge of chollima just as the December 1956 plenary session of the Central Committee of the Workers' Party of Korea [WPK] was a meaningful one which opened a great revolutionary upsurge. The plenary session completely displayed the might of our socialist system which embodied the chuche idea and the session was also a historic session which had great significance in allowing it to completely display its superiority. As emphasized in the plenary session, socialism, which is deeply rooted in our country today ,

is a unique kind of socialism of our own style in its guiding ideology, guiding theory, and guiding method. Also, our people are under the guidance of this kind of socialism, the most solid and vitalized socialism which is in accordance with the intention and demand of our people.

The plenary session elucidated the road of highly displaying the vitality of our socialism and of successfully dominating the materialistic fortress and ideological fortress by accelerating the three revolutions. When the might of the current economic foundation is completely displayed by mobilizing the creativity of our people through our own style, the superiority of our system will be completely displayed, a system that guarantees an abundant materialistic life including an independent political life and a solid cultural life for the people.

This plenary session once again vigorously displayed our party's invincible might and leadership which led the socialist construction with the most correct revolutionary line without the slightest deviation. Since our party leadership of economic construction leads to endless upsurges by scientific insight into the practical demand of the socialist economy, which has reached a high new stage, and by presenting at the right time correct slogans and struggle tasks, our people will be able to achieve greater leaps in the great forward movement of the nineties.

There is an important duty facing us today of thoroughly implementing the task of increased production and economy which the plenary session presented. An important task in the struggle at this time is to regularize production at a high level in all fields of the people's economy. In order to achieve this, we must firmly give priority to the extraction industry and railway transportation, produce and supply facilities and resources that are necessary in this field first of all, and vigorously launch the all people's voluntary work in producing coal, and in mine and railway work.

Vigorously carrying out the struggle of increased production and economy in key industrial fields is to further develop all fields of the people's economy more vigorously. This is a priority task in achieving new upsurges in economic construction. We must put great efforts into increasing production and economizing electricity which is the basic power of the people's economy and vigorously carry out the struggle to increase production and economize coal which is the food of industry. Along with this, iron and steel, oil, and wood must be used very economically and effectively.

Light industrial plants must be further modernized and through various ways active measures must be established to guarantee raw materials and resources so that all plants can be operated at full capacity. This year, we must decisively increase the production of cloth and quality daily necessities and foodstuff that suits the people's taste.

In the field of capital construction, waste must be eliminated, efficiency in investment must be enhanced, and efforts must be put into the already started important construction projects and private homes by thoroughly implementing the guidelines of focusing on construction presented by the party.

In the field of rural economy, waterway construction must be accelerated to complete irrigation at a higher level, vigorously promote mechanization and chemicalization, and carry out farming scientifically and technologically according to the demand of the chuche farming method, to achieve the agricultural production goal which the party presented.

The plenary session proved once again that if we vigorously carry out the struggle of increased production and economy, there will be all kinds of conditions for and endless strength to achieve great upsurges in socialist construction.

Today is not the time of blazing the way toward a new road of founding the nation, nor a time of restoring construction after the war by building new cities and farms that were in ashes. Our political and economic strength has grown beyond comparison and our people's faith and fighting spirit is infinitely high. Our party is guiding today's great new forward movement of the nineties which is possessed with invincible might.

Through practical life, our people firmly experienced the noble truth that when we completely entrust our fate to the party and share that fate, we can overcome any hardships and win every battle. As long as there is the great single unity stemming from the party having faith in the people, the people having faith in the party, and the people vigorously rising up when the party makes an appeal, there is nothing that we cannot do and no fortress that cannot be dominated. An important issue that is put forth in thoroughly implementing the decisions of this plenary session is most of all for all the functionaries and workers to accept the goals of the party and leader with all their heart and set it in motion ideologically.

Comrade Kim Chong-il, member of the Presidium of the Central Committee of the WPK Political Bureau and secretary of the Central Committee of the WPK has taught: The source of strength in bearing peerless devotion and heroism to carry out economic tasks is loyalty toward the party and leader. The lofty ideological determination and revolutionary enthusiasm of all the people to accept with all their heart and unconditionally implement the intentions of the party is an important element for victory in today's great forward movement. When all party members and workers are set in motion ideologically in the struggle for increased production and economy, lofty results can be achieved and dynamic flames of the great revolutionary upsurge started.

There is a valuable life and honor for our party members and workers on the road to brilliantly realizing the plan and intention of the party and leader. All party members

and workers must be mobilized ideologically to implement the decisions of this plenary session with the spirit of absoluteness and unconditionality of the party policy and devote all their strength, wisdom, energy, and talent to realize it.

Today's struggle for increased production and economy is a mass innovative movement which the party and people must vigorously launch into to carry it out. Party functionaries, administrative economic functionaries, and all party members and workers of all sectors and units must use their heads and make efforts to increase production and economize according to their position.

In all units and all outposts of socialist construction definite goals and concrete plans must be established to vigorously carry out the struggle for increased production and economy, and active struggles must be carried out to realize it.

It is an important task in the struggle for increased production and economy at present to make the whole country overflow with the revolutionary spirit of self-reliance and fortitude which was displayed in the period of the great upsurge of chollima after the war. Today's struggle of working to create great new revolutionary upsurges in the nineties began with chollima which started at a difficult period after the war, and evolving to the great forward movement.

The present situation demands that all party members and workers seethe with revolutionary enthusiasm and spirit and struggle resolutely just as they did after the war. As the working class did during the great revolutionary upsurge after the war, all party members and workers must resolutely advocate and defend the party to achieve innovative results in production, solidly unite around the party to further accelerate the mass struggle for increased production and economy, and bring about great upsurges in socialist construction. The revolutionary spirit of self-reliance and fortitude is similar to the chollima which was displayed after the war.

Today, at a time when all conditions are magnificently provided, which cannot be compared with the post-war period, and when the might of an independent national economy is strengthened, there is nothing that cannot be achieved if all people work with faith in their strength and make strenuous efforts with revolutionary spirit.

All party members and workers must highly uphold the slogan of self-reliance and fortitude to search for and mobilize inner reserves from everywhere, make numerous scientific and technological inventions and creative plans, and carry out the nation's economy frugally and meticulously. By doing so, the country will be overfilled with revolutionary enthusiasm and spirit and our people's creative might of exuberantly accelerating socialist construction to create something out of nothing will be displayed vigorously.

Also in order to strengthen the struggle for increased production and economy and accelerate socialist construction, the economic organization work must be well planned in accordance with the demand of the Taean work system.

The Taean work system created by the great leader Comrade Kim Il-song is the most superior socialist economic management system of our own type. An important guarantee for displaying the superiority of the socialist economic system and for successfully conducting the struggle to produce more and save more lie in thoroughly implementing the demands of the Taean work system. Fully arousing the voluntary enthusiasm of the masses by correctly combining the party's leadership with the revolutionary mass lines is an important superior characteristic of the Taean system. We should thoroughly implement the mass lines in economic management, give priority to political work in every project, have those at the upper units substantially help those at the lower units, and further enhance the responsibility and role of the economic guidance functionaries.

All guiding functionaries should increase their revolutionary spirit and militant capabilities by actively accelerating the work of revolutionizing themselves and of making themselves the working class and roll up their sleeves in solving pending problems while sharing weals and woes with the masses at production sites. All plants and enterprises should strengthen the collective guidance of party committees, give good guidance on production and technology, and scientifically and rationally manage and operate the economy in conformity with the demands of the law on socialist economy and the principle of economic management, thereby normalizing production at a high level and bringing about the maximum economic and technological effect.

It is important for functionaries to assiduously conduct enterprise management work, including labor administration work and financial management work, with a scientific knowledge of economy and manage the national economy with an attitude worthy of masters. In particular, the functionaries in the labor administration field should firmly change labor administration into political work—work with people—and actively improve the work to allocate labor forces, organize manpower, and guarantee working conditions. In the field of financial work, the control by won should be strengthened and economic means should be correctly used. Also, everyone should manage the property of the state and society well and actively struggle to increase the wealth of the country with the attitude of being masters of the national economy.

Today's struggle to produce more and save more is a struggle which is conducted on the basis of a rapid scientific and technological development. All functionaries and workers should find the greatest potential for producing more and saving more in technical innovation and scientific and technological development and see to it that more scientific inventions, technical innovation

devices, and creations should be turned out in today's struggle to produce more and save more.

The scientists and engineers should devote their resourcefulness to strengthening the produce-and-save-more struggle and to scientific research work to unreservedly give play to the might of our country's economic foundation. It is very important to increase the militant function and role of the party organizations at all levels in vigorously waging the struggle to implement the decisions of the plenary session.

Our practical experience shows that a basic guarantee for effecting a revolutionary upswing in socialist construction without slight turns and twists lies in strengthening the party and enhancing the militant capabilities of the party organizations. The party organizations at all levels should conduct well operations and take correct measures to execute the decisions of the plenary session and to substantially carry out the work of setting the masses in motion. The party organizations and functionaries should explain the tasks assigned by the great leader Comrade Kim Il-song in his New Year address and the basic spirit of the plenary session to party members and workers, thus making the whole country surge into the struggle to produce more and save more.

Increasing the militant function and role of the infrastructural party organizations is an important demand for accelerating the mass struggle to produce more and save more. We should see to it that the decisions of the party are smoothly conveyed to the lowest units and that the masses work and struggle with the party by concentrating great efforts on strengthening the enterprise and plant party organizations and cells which directly work with the masses at production sites. Thus, the invincible might of our party, which takes deep root in the popular masses and fights in unity with them, should be powerfully displayed in the struggle to implement the decisions of the plenary session.

The three revolutions—ideological, technological, and cultural—are a basic way to effect a great upswing and accelerate socialist construction in the nineties. All fields and units should firmly give priority to the ideological revolution and continue to vigorously push ahead with the cultural and technological revolutions, thereby effecting a constant upsurge in economic construction and bringing the superiority of our socialism to full blossom.

Let all of us powerfully advance, creating new speed in the nineties by turning out as one in the struggle to implement the decisions of the plenary session while upholding the goals of the party and the leader.

Accelerating Construction of Apartments Pressed

SK2001105590 Pyongyang KCNA in English 1014 GMT 20 Jan 90

[Text] Pyongyang January 20 (KCNA)—NODONG SINMUN today calls upon the entire people and builders of the capital to energetically push ahead with the construction of flats for 50,000 families in Pyongyang by rising up once again in the indomitable fighting spirit with which they built Pyongyang on debris after the war, the stamina and passion with which they performed world-startling feats in completing the world's leading West Sea barrage in five years and constructing Kwangbok Street in the spirit of chollima spurred on by the speed campaign.

The editorial headlined "Let the Whole Party, the Whole Country and the Entire People Turn Out to Powerfully Accelerate Construction of Houses for 50,000 Families in Pyongyang" says:

Today we are facing a heavy task to complete in two years by the end of 1991 the construction of vast objects including modern flats for 50,000 families in Pyongyang, mainly the second-stage construction of Kwangbok Street and the construction of Naknang Street, and schools, kindergartens, creches and service facilities related to them, as well as the East Pyongyang thermal power plant and the exhibition of three revolutions, which are 1.5 times the scale of the construction of hundreds of objects for the Pyongyang festival which were carried out in recent three years.

The great leader Comrade Kim Il-song said:

"The builders of Kwangbok Street and other important structures in Pyongyang must finish construction ahead of schedule while building them as best as possible so that Pyongyang becomes a more magnificent and beautiful modern city."

The construction campaign of the capital involving the construction of flats for 50,000 families is a worthy work to carry into effect the grand plan of dear Comrade Kim Chong-il to build up Pyongyang more magnificently and splendidly and provide our people with more modern houses and excellent life environment as intended and wanted by the great leader Comrade Kim Il-song.

When a radical turn is effected in the supply of food and clothes in a few years to come by successful farming and a revolution in the light industry and the housing problem is solved more successfully as indicated by our party, our country will become a country with nothing to envy in the world.

Dear Comrade Kim Chong-il personally initiated the drive for the construction of flats for 50,000 families in Pyongyang, took all measures to powerfully push on the vast construction and powerfully aroused the whole party, the whole country and the entire people in the construction of the capital.

"Let us build another street like Kwangbok!"—This is one of the fighting slogans for us to uphold in the construction of the capital. This slogan represents the firm resolution of our party to make Pyongyang a most advanced city in the world in the solution of the housing problem.

What is important in energetically accelerating the construction of the capital is for the officials and working people to

cherish the party's intention as unshakable conviction and devotedly struggle for its implementation.

It is our party's resolution and will to complete the vast projects of various objects including the construction of the houses for 50,000 families with our own material and equipment, our own strength and technique and in our own way at the highest level in two years. There is nothing impossible when our party decides and the whole party buckles down to it.

The main point in stepping up the construction of the capital is the spirit of unconditionality, the spirit of accepting the party's demand as an absolute fighting target and maintaining it without fail. This is the ideological basis which led to the miracles in the construction of the West Sea barrage and Kwangbok Street in the past days.

Railway Projects in North 'Being Stepped Up'

SK2301102390 Pyongyang KCNA in English 1004 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—Namdong-Onchon railway project along the West Coast of Korea is being stepped up at full steam.

The builders have made roadbed in the new railway section covering 80 kilometres and did much work in removing earth and building the ground for small structures, etc. in a matter of two months after the start of the project.

They are carrying on a high-pitched drive from the outset of the year to remove 1,600,000 cubic metres of earth and finish the construction of 36 railway bridges, 400 small structures and 20 buildings including railway stations within this year.

A new loop of railway line linking Sukchon, Pyongwon, Chungsan and Onchon Counties is of great significance in solving the transport problem more satisfactorily in granaries along the West Coast including Yoltusamcholli and Onchon plains and tideland-turned fields and in coal-fields and other industrial districts and promoting convenience in people's living in the area.

New Ammonia Compounding Tower Manufactured

SK2301053090 Pyongyang KCNA in English 0453 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—A new large-size ammonia compounding tower was recently manufactured in Korea.

It is a high-pressure precision equipment 20 metres in height and 370 tons in weight.

The manufacture of this compounding tower highly important in the development of the nation's chemical industry opened a broad road for effecting a new turn in the production of chemical fertilizers.

The tower consists of the main body with an inner [word indistinct] and such auxiliary equipment and devices as a high-pressure heat exchange device, a 500 cubic metre circulating apparatus and an oil-purification tank.

The tower developed with high technologies can increase productivity 50 percent above that of more than 20 existing ammonia compounding towers of the Hungnam Fertilizer Complex put together.

It was manufactured in a short time by the technical group of the ministry of Yongsong Machine Industries with its designs and home materials and equipment.

The tower is being installed at the Hungnam Fertilizer Complex.

'Powerful' Coal Production Increase Noted

SK2301225090 Pyongyang KCNA in English 1501 GMT 23 Jan 90

[Text] Pyongyang January 23 (KCNA)—A powerful increased production drive is going on in the domain of coal industry of Korea.

The coal output by January 22 entering this year was 500,000 tons above that in the same period of December last year.

The Sunchon District Coal Mining Complex has set itself the goal of producing 1,200,000 more tons this year than last year's plan. By introducing advanced drilling and blasting methods it is carrying out its daily quota at 105 to 110 percent. The plan for the last 20 days was topped by more than 30,000 tons in the coal field.

The Kaechon District Coal Mining Complex is overfulfilling its daily quotas while markedly cutting the material consumption norm by introducing rational technical innovation proposals in the tunnelling and cutting processes.

The Anju District Coal Mining Complex has increased the daily output 1,000 tons entering the second ten days of the month above that in the first ten days by creating enough cutting faces and making an effective use of the equipment.

A new great upswing is being effected also in the Tokchon and Kujang district coal mining complexes and other coal fields to adorn the first year of the 1990s with an increased production of coal.

Roundtable Talk on South's Military Reshuffle

SK2301044090 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 13 Jan 90

[Roundtable talk with an unidentified announcer, Yun Chong-won, and (?Choe Paek-su) from the program "The Hour for the South Korean Armed Forces"]

[Text] [Announcer] How are you?

[Yun Chong-won and (?Choe Paek-su)] How are you?

[Announcer] On 21 December last year, the administration unusually reshuffled the military brass, including

army commanders, the vice chief of staff of the army, the superintendent of the military academy, and division commanders, on a large scale. In this hour, will you first talk about the details of the military reshuffle?

[Yun Chong-won] In the military shakeup, Sin Mal-op, vice chief of staff of the Army, and Yi Pil-sop, superintendent of the military academy, were promoted to full-star generals and appointed army commanders. In addition, the vice chief of staff of the army was replaced with Lieutenant General Yi Mun-sok, commander of the Special Warfare Command; the superintendent of the Military Academy was replaced by Lt Gen Yim In-cho; the director of Joint Staffs was replaced by Lt Gen Song Ung-sop; and the director of the Defense Intelligence Agency of the Ministry of National Defense was replaced by Lt Gen Yong Yong-il. Also, Maj Gen Chong Chae-kyong was appointed the first assistant minister of national defense. In this way, a large-scale military reshuffle above major general-level officers was conducted.

[Announcer] Sin Mal-op and Yi Pil-sop, generals who had been appointed vice chief of staff of the Army and superintendent of the Military Academy, respectively, in the personnel shakeup last March as a result of the disturbance involving Min Pyong-ton, then superintendent of the Military Academy, were promoted to four-star generals and appointed army commanders only nine months after the previous personnel reshuffle. What do you think the background of this abrupt military shakeup is?

[Yun Chong-won] As a matter of fact, many questions arise concerning the military shakeup. In particular, when the military reshuffle is thought of in connection with complicated realities, it is not a mere regular year-end military reshuffle.

Today the No Tae-u group, faced with a grave challenge, is getting through the grim ordeals. Its policy of following the United States and Japan, a way for its survival, has been shaken by the strong spirit of our people who seek independence. Its fascist suppression aimed at remaining secure in power has been faced by the angry waves of democratization. The treacherous nature of its maneuvers for perpetuating division have been laid bare by our people's ardent patriotic aspirations for reunification.

Thus, its antinational and antihistoric maneuvers have been opposed and rejected by our masses and its scheme to tide over the difficult situation, created by the majority opposition parties through a grand coalition of conservative forces, has been challenged by the three opposition parties.

What cannot be overlooked in particular are the serious contradictions and conflicts inside the ruling forces as shown by the actions involving Kim Yong-kap, former minister of government administration, Yi Chong-chan, former floor leader of the ruling party, and Min Pyong-ton, former superintendent of the Military Academy.

In this sense, the recent military reshuffle is viewed as a far-sighted personnel shakeup designed to overcome all types of difficulties and challenges.

[Announcer] What are the meanings and characteristics of the recent military reshuffle?

[(?Choe Paek-su)] In my opinion, the recent military reshuffle is very unusual. Therefore, the reshuffle involves a series of characteristics. It is thought to be an abnormal reshuffle disguised by a regular year-end shakeup in light of the fact that Sin Mal-op and Yi Pil-sop, who had been appointed vice chief of staff of the Army and superintendent of the Military Academy, respectively, were promoted and appointed army commanders and that Yi Mun-sok and Yim In-cho, graduates of the 17th class of the Military Academy, were appointed vice chief of staff of the Army and superintendent of the Military Academy, respectively.

The reshuffle is thought to have been abruptly conducted to attain a sinister goal.

Another characteristic of the military reshuffle is the (?establishment) of the No Tae-u military system in which pro-No Tae-u men, including graduates of the 17th class of the Military Academy, ultimately emerged as key forces.

[Announcer] In particular, Yi Mun-sok, who was particularly trusted by Division Commander No Tae-u while serving as the chief of staff of the Ninth Division during the 12 December coup d'etat, has been regarded as a leading figure of the 17th graduating class of the Military Academy. He had commanded the Special Warfare Command and was appointed the vice chief of staff of the Army at this time. Therefore, it can be said that his future is obvious to see.

[(?Choe Paek-su)] In particular, the military reshuffle with Cho Nam-pung and Ku Chang-hoe, graduates of the 18th class of the Military Academy, left as the commander of the Defense Security Command and the commander of the Capital Defense Command, respectively, shows that it is the reinforcement of the No Tae-u system in the military.

Another characteristic of the military reshuffle is the preparation of the No Tae-u group, which has entered the mid-term of its power, for remaining in power for a long time.

In fact, the No Tae-u ring began to build a ruling system like that of Japan's Liberal Democratic Party and schemed for remaining in power for a long time from the initial stage of its term. As a new situation with the opposition parties as the majority political force was created as a result of the 13th general elections and the ring's wild ambition for long-term power had been obstructed, the No Tae-u ring explored a way for realigning the overall ruling system, such as the revision of the Constitution by the parliamentary- cabinet system

and the formation of a new party with those hailing from the TK [Taegu-North Kyongsang Province] faction as key forces.

It is thought that the No Tae-u ring has judged that the military will remain a factor affecting its realization of the wild ambition of a long-term power if it has formed a new party by revising the Constitution by the parliamentary-cabinet system, which some opposition forces support, and by admitting those in favor of a grand coalition of conservative forces.

Under the situation whereby conservative hawkish forces were acutely confronted with conservative moderate forces, the No Tae-u ring cannot but be prudent in shaking up military brass, because it had to place its men in key military posts without trouble.

[Yun Chong-won] That is true. Rightist-hawkish forces in the government and the ruling party—those who were benefitted by the remnants of the military dictatorship—have always complained about the No Tae-u group's military shakeups.

As shown by the retirement speech of the then Chief of General Staff of the Army Pak Hui-to in June 1988, by the terrorism of O Hong-kun, by members of the Army Intelligence Command led by Yi (?Chin-paek), and by the incident involving Min Pyong-ton, superintendent of the Military Academy, No Tae-u's military reshuffles have been greatly challenged by rightist military forces, such as Kim Chin-yong. Thus, he conducted a resolute and prudent military reshuffle.

[Announcer] It can be said that the recent military reshuffle is an expression of the concept of remaining in power for a long time by firmly establishing the No Tae-u system in the military. I think that the military reshuffle will have a great effect on the political arena. What is your opinion about that?

[Yun Chong-won] Since the 13th general elections, the No Tae-u group had made desperate efforts to tide over the difficult situation with the opposition parties with the majority of political forces, until they began to accelerate preparations for forming a new party.

Approximately 40 [as heard] lawmakers of the Reunification Democratic Party [RDP] have already begun to push ahead with the merger of the opposition parties. Some independent forces have appeared to join them. Also, the preparatory committee to form a progressive mass party has worked vigorously. This situation has made it inevitable to give up the original plan to realize the wild ambition for a long-term power in coalition with a certain opposition party.

In particular, some Democratic Justice Party lawmakers have contended that coalition with the New Democratic Republican Party will make it difficult to escape from being branded as a military dictatorial party, that coalition with the RDP will be labeled as a party of the Kyongsang provinces, and that coalition with the Party for Peace and Democracy, their adversary, is beyond imagination. Under these circumstances, the No Tae-u ring has judged that forming a new party with figures not directly involved in the 12 December and the 17 May incidents and the Kwangju massacre and admitting lawmakers of the three opposition parties into it will make it possible to maintain the status of the ruling party.

It has been rumored in the political arena that the No Tae-u group has tried to use Kim Pok-tong, No Tae-u's brother-in- law, and the Songbaekhoe [an organization of retired military officers led by Kim Pok-tong] as key forces in this work.

[Announcer] Indeed, Kim Pok-tong, a graduate of the 11th class of the Military Academy, is said to be a hidden player which the United States did not involve in the 12 December and the 17 May incidents and the Kwangju massacre.

Since the 12 December incident, he has not worked with Chon Tu-hwan. It is also said that because Yim Kum-chu, his wife, is from Kwangju, Kim Pok-tong can enjoy popularity even among Cholla provincial people.

[(?Choe Paek-su)] Thus, the United States is said to have secretly pushed ahead with the work of forming a new party to further strengthen its domination over South Korea through Kim Pok-tong and soothe the people's resistance while paving the road for pro-U.S. elements. This is said to also conform to No Tae-u's wild ambition for long-term power.

[Announcer] In short, the recent military reshuffle is part of No Tae-u's program to remain in power.

According to a military source, the military will be led by Chief of General Staff of the Army Yi Chong-ku, Commander of the Defense Security Command Cho Nam-pung, Army Commanders Sin Mal-op and Yi Chin-sam, and Vice Chief of Staff of the Army Yi Mun-sok at the last stage of No Tae-u's term. It is thought that this will greatly affect the military. What is your opinion?

[Yun Chong-won] No Tae-u's program for long-term power is, after all, a scheme to further strengthen subjugation to the United States, the fascist dictatorship, and maneuvers to perpetuate division and is a treacherous act of running counter to our people's aspirations for independence, democracy, and reunification.

Therefore, those patriotic soldiers should firmly side with the patriotic masses, who have turned out for the anti-U.S. struggle for independence and the antifascist struggle for democratization, in conformity with the demands of the times and the aspirations of the people and their parents and brothers, redirect their guns pointed at the brothers in the North to the U.S. aggressors and their lackeys, and actively take part in the struggle of parents and brothers to expedite the day of independence, democracy, and reunification.

Bearing in mind that herein lies their bright future, their parents and brothers, and our nation, the men and officers of the armed forces should correctly set their goal for action.

[Announcer] The patriotic men and officers of the armed forces should make their lives shine by devoting their youth to the cause.

South Korea

YONHAP Reports Parliamentary Talks Bog Down

SK2401090490 Seoul YONHAP in English 0851 GMT 24 Jan 90

[Text] Panmunjom, Korea, Jan. 24 (YONHAP)—South and North Korean lawmakers bogged down on a side issue Wednesday, never making it to the main topic of a meeting on arranging plenary inter-Korean parliamentary talks. In a two-hour-long preliminary contact at this border village, discussion of the conference was waylaid when the North proposed an "emergency agenda." They agreed to meet again Feb. 22.

The North wanted to discuss the annual South Korea-U.S. Military exercise "Team Spirit" and North Korean leader Kim Il-song's offer to hold talks of political party leaders from the two Koreas.

The 10th preparatory contact had been called to negotiate the format and agenda of the proposed main parliamentary conference.

Opening the meeting, Chae Mun-sik, Seoul's top delegate to the talks, reiterated his demand that the North consent to a bilateral conference of representatives and to the inclusion of a South-North Korean summit on the agenda.

"The bilateral conference would be the most effective format for the meeting because it will take place between two parliamentary groups which differ in ideologies and systems," Chae said. The North has proposed a round-table conference of all political factions. Chae also said, "the summit meeting is a way to solve pending issues between the two Koreas in a most effective and prompt manner."

North Korean chief delegate Chon Kum-chol suggested discussing an offer contained in Kim's new year message and halting the "Team Spirit" drill. "Talks of authorities and political party leaders should be held early to discuss a total opening and free travel as a step to reunification in a short period," Chon said.

"It is insolent to announce the plan of the military exercise at a time when various inter-Korean dialogue is going on," Chon said.

He then demanded Seoul tear down a "concrete wall" which North Korea has said is located South of the Military Demarcation Line. North Korean President Kim Il-song called in his new year speech for demolition of the concrete wall but the Seoul government has officially denied its existence.

Earlier this month, the South Korean Army showed reporters the "wall" that Kim demanded be removed for "free travel" between the two Koreas. It is a tank trap built to deter North Korean attacks.

North Korea has denounced "Team Spirit" and refused to sit down at conference tables with the South every year during the period of the exercise, which is described by South Korean and American officials as a defensive one.

After the talks ended without progress, Chae told reporters, "the North's insistence today is apparently designed to prevent progress and whether the next contact will move forward depends totally on their sincerity."

In a separate briefing, Chon said, "for the next contact, conditions should be met and the meeting will be good and activated only when the Team Spirit exercise is halted."

His remarks indicate that North Korea may refuse to attend the next meeting if the exercise, which was downscaled for the first time this year, goes on as scheduled.

Next Contact Slated for 22 Feb

SK2401060590 Seoul Domestic Service in Korean 0500 GMT 24 Jan 90

[Text] According to reporter Cho Tal-ung from Panmunjom, the 10th preliminary contact for North-South parliamentary talks was held at the House of Peace in our side's area in Panmunjom this morning. However, the discussion of practical matters could not be held and the contact ended without any result, because the North Korean side raised such extra issues as the cancellation of the "Team Spirit" exercise.

At the contact held today, by demanding that the conference of authorities and heads of the political parties of the North and South, which was proposed in the Kim Il-song's New Year address, and the question of the cancellation of the "Team Spirit" exercise be adopted as emergency agenda items, the North Korean side challenged our side's call for discussing practical matters.

In particular, the North Korean side reiterated its previous call for pulling down the concrete walls in the southern areas of the Military Demarcation Line, for the change of the name of the "Team Spirit" exercise, and for the discontinuation of the foreign troops' participation in the exercise.

The delegations of the North and South agreed to hold the 11th preliminary contact on 22 February.

Editorial Urges Prudence, Sincerity Toward North

SK2001023090 Seoul THE KOREA TIMES in English 20 Jan 90 p 6

[Editorial: "Desirable S-N Economic Exchange"]

[Text] Leading business groups are reportedly weighing strategies to seek trade exchanges with North Korea since President No Tae-u, in his New Year press conference, proposed the formation of an inter-Korean economic community through mutual trade of commodities, along with the intention to join in the joint development of Mt. Kumgang (Diamond) as a tourist attraction.

Ever since the division of Korea into two at the end of World War II in 1945, North Korea has stuck to its obstinate and hackneyed policy of developing its economy by itself, keeping its doors closed. As the result, its economic growth has remained sluggish, showing a GNP growth of only around 3 percent last year.

Notwithstanding, Pyongyang is still hesitating to carry on economic reforms and open its doors externally out of feat that door- opening and reforms, though necessary for economic growth, would affect its political system.

However, the widely-spreading liberalization moves in the Soviet Union and other East European countries, in line with the current East-West reconciliatory mood visibly since last year, are expected to extend to North Korea eventually. In this context, economic exchanges and cooperation are likely to take place between South and North Korea in this new decade of the 1990s.

To recall, with President No's July 7, 1988 declaration, Seoul took the initiative in opening doors to the North, regarding trade with the North as close to domestic trade. In the follow-up action taken on Oct. 17, our government allowed private firms to engage in trade with North Korea, and businessmen's exchanges between the divided halves of Korea.

As the result, imports from the North have amounted to some $20 million. Yet, it must be noted that all but a few commodities from North Korea were brought into the South in indirect trade with nationals of third countries or Korean overseas residents as intermediaries. As such, it is still premature to say there is direct trade between the two parts of Korea.

Accordingly, it is undesirable to hold any illusion over substantial amounts of inter-Korean trade in the foreseeable future. To look into the circumstances in the North, there are a very limited number of manufactured goods, which are really exportable to the South, in terms of their quality, excluding the viable raw materials, namely natural resources, available in North Korea.

As a Soviet researcher has predicted, North Korea's viable exports to the South may be limited to $300 million worth annually for the time being, even if and when full-scale inter-Korean trade is developed.

In this regard, trading concerns on our side are called upon to refrain from engaging in excessive competition in an attempt to import goods from the North as seen early last year. Needless to say, inter-Korean merchandise trade ought to be implemented on a gradual basis item by item through close consultations with the government.

We should take note of the fact that Pyongyang prefers joint ventures and economic cooperation to merchandise trade with the South, as disclosed in the inter-Korean economic talks, which were interrupted one year after they open in 1984.

Consequently, it is wise for us to explore joint development of natural and tourist resources in the North, agreements on the drawing up of joint fisheries zones, joint ventures in manufacturing and other joint-venture projects in third countries, including the Soviet Union. Suggested in the cases of joint ventures with North Korea are industrial advances in partnership with Western countries in an effort to reduce the risk in doing business in North Korea.

In any case, we need not to regard North Korea as merely a sort of rival but to help it ease its heavy burden of servicing its foreign debts. Business concerns are urged to seek economic exchanges with prudence and sincerity so as to induce North Korea to open its doors and pave the way for creating an all-Korean national community for the great cause of prosperity for all Koreans as a traditionally homogeneous people.

Inter-Korean Disarmament, Reconciliation Urged

SK2301035690 Seoul SEOUL SINMUN in Korean 19 Jan 90 p 2

[Editorial: "Arms Reduction Amid East-West Reconciliation"]

[Text] It appears that with the end of cold-war, the era of worldwide arms reduction has opened. Bush and Gorbachev, two top leaders of the United States and the Soviet Union—two extremes in the postwar international order—shook hands with each other for reconciliation and cooperation in the historic Malta talks last year. Since the summit talks, people hoped for global peace and arms reduction while both the United States and the Soviet Union are keenly aware of the necessity to free themselves from the burden of the arms race. Thus, the barrier of distrust between the two is now being demolished while the structure of the Soviet Union and East Europe is being reformed.

The United States and the Soviet Union were the two main axes in the international order not only during the past cold war era but also in the new era of reconciliation and cooperation. The strength and role of the United States and the Soviet Union in establishing and maintaining the military equilibrium between East and West are still invariably absolute. We may say that the substance in the military equilibrium between the East and

the West is the North Atlantic Treaty Organization [NATO] and Warsaw Pact Organization respectively. At the conference held recently in Vienna, military leaders from 35 member nations of NATO and Warsaw Pact Organization agreed to end the East-West military confrontation in Europe. We may define this as a concrete change making us realize that the arms race under the past cold war system has now turned into the disarmament race.

The worldwide trend of disarmament is not only seen in the United States and the Soviet Union. Following the destruction of the Berlin wall, prime ministers of both East and West Germany agreed to sign an agreement on the "contract commonwealth." Last June, East Germany made an epoch-making disarmament proposal to West Germany, stressing that "without putting an end to military race between the two Germanys, no theory on the reunification of Germany will have credibility." We may call this another aspect of change in the order of the world.

It was learned that at the military conference of member nations of NATO and Warsaw Pact Organization, the United States hinted at withdrawal of its troops from Europe. What is known at the present is that the U.S. defense authorities are working out a disarmament plan over 3 years from 1991 to 1994, during which time 250,000 troops, 3 army divisions, 5 air force wings and 62 naval ships will be reduced in a phased manner.

Such a drastic disarmament plan by the United States may be construed as a response to Gorbachev's constant peace offensive including a cut in the Soviet defense expenditure and partial withdrawal of Soviet troops from East Europe, as well as to practical reform in East Europe.

In the course of realizing disarmament, the Navy and Air Force of the United States and the Soviet Union conducted a joint military exercise in the Mediterranean Sea late last year for the first time since the end of the World War II. They announced that this exercise was designed to prevent a possible clash on the sea between the two sides. We may say that this exercise was a war exercise precisely aimed at preventing a war. The world knows that the United States and the Soviet Union are the two super powers. However, because they are keenly aware of the enormous destructive power and horror of modern military weapons, nuclear weapons in particular, they have launched disarmament regarding it as a strategy for survival of mankind.

From this viewpoint, discussion of disarmament on the Korean peninsula is not someone else's question. We may point out that official discussion of the issue of arms reduction on the Korean peninsula, which has been regarded as taboo up to now, has already begun under an indirect expression of discussing "arms limitation." If discussion begins on disarmament between the North and the South Korea and disarmament advances toward the stage of realization, this will make an epochal contribution to the overall development of the entire nation. We think that North Korea should immediately start this work. Without this, relaxation of tension and consolidation of peace on the Korean peninsula will not be easy to achieve.

Kim Tae-chung To Initiate Opposition to Merger

SK2401064290 Seoul YONHAP in English 0616 GMT 24 Jan 90

[Text] Seoul, Jan. 24 (YONHAP)—Opposition leader Kim Tae-chung, warning of political instability, urged Wednesday to president No Tae-u to stop the merger of the ruling Democratic Justice Party (DJP) with two opposition parties. Kim argued that public indignation over the DJP's merger with the Reunification Democratic Party (RDP) and the New Democratic Republican Party (NDRP) is growing at an alarming rate.

On Monday, No announced that he had agreed with RDP president Kim Yong-sam and NDRP leader Kim Chong-pil to dissolve their parties and reconstitute them as a new mega-party.

Turmoil is feared because academic, student and dissident groups are expected to launch fierce anti-merger struggles, he said. Kim Tae-chung said he would initiate a peaceful nationwide campaign to oppose the alliance, which he called a "coup d'etat" designed to impose a one-party dictatorship on Korea.

His Party for Peace and Democracy (PPD) will introduce a resolution denouncing the merger and demanding the resignation of all national assemblymen during a special assembly session next month.

If the demand is not met, the opposition party will launch a nationwide signature collection campaign to press the three parties to stop the merger, Kim said. The campaign to collect 10 million signatures, about one fourth of the population, will be carried out in a peaceful and orderly manner, he added.

In parallel with the signature campaign, Kim said, he will closely cooperate with dissident and other groups that object to the merger, including some RDP lawmakers. But the PPD does not plan to form a joint organization with dissident forces to oppose the merger, Kim said.

He admitted that No asked him about an alliance between the DJP and Kim's PPD during a meeting earlier this year and said he rejected the proposal.

Merger 'Erased' Kim Tae-chung's Hope for Power

SK2401023690 Seoul THE KOREA HERALD in English 24 Jan 90 p 2

[News analysis by staff reporter Yu Kun-ha: "Kim Tae-chung in Dilemma Over Merger"]

[Text] PPD [Party for Peace and Democracy] President Kim Tae-chung seems to be in a dilemma over defining the party's future course.

Kim has repeatedly expressed confidence about overcoming the crisis into which the party was plunged by the merger of the other three parties—the DJP [Democratic Justice Party], RDP [Reunification Democratic Party] and NDRP [New Democratic Republican Party].

But deep concern about the destiny of the party and his own future must underlie his superficial confidence. In a two-party system, the PPD will emerge as the only opposition party. But will it be able to develop enough power to check the preponderant ruling party? More than that, the merger of the three parties has apparently erased whatever hope Kim had of taking power. Then, how can he rekindle his ambition?

The grand fusion of the self-professed conservative forces has left the PPD leader with three options concerning his future action.

The first is to adapt himself to the political framework of conservatism versus progressivism as envisioned by the promoters of a unified conservative bloc.

This option is least likely to be adopted because that would mean Kim has accepted the political restructuring as lawful and unproblematic. Although he can follow this policy without acknowledging the legality of the restructuring, it is risky for Kim, since the stage has not yet been set for any self-proclaimed progressive force to participate in politics.

For instance, the incumbent government and the two opposition parties which crossed the dividing line between the ruling and opposition camps have been opposed or indifferent to recognizing the legality of the radical Chonnohyop, or the National Council of Workers.

The second course Kim can take is to rally all elements opposed to the conservative coalition behind him and lead violent struggles, parliamentary and extraparliamentary, under the premise that the political circle should be divided between democratic and undemocratic forces.

In this scenario, Kim does not need to declare his pursuit of progressivism. He remains the leader of the PPD and seeks agglomeration of democratic forces with his party as the center.

But the problem here is whether he could muster popular support sufficient to face the huge ruling side. Kim said he would seek to absorb the residual forces of the RDP which have refused to join the new ruling party. But the RDP lawmakers are not likely to come under the banner of the PPD. In fact, they, together with a small faction of PPD lawmakers, are demanding the resignation of the PPD president to facilitate the formation of a unified opposition front.

Another problem concerns the efficacy of struggles in and outside parliament. The PPD leader has called for the wholesale resignation of lawmakers but this call will most likely go unheeded.

Kim also threatened violent outdoor protests, including a street campaign to collect 10 million signatures. But as a Korea Gallup poll has shown, more than half of the public seems to regard the birth of a preponderant ruling party as contributing to political stability. This puts the impact of Kim's promised outdoor protests in doubt.

The third option is to follow the advice of the young lawmakers envisioning a unified opposition front and to retreat from the forefront of politics.

These lawmakers and extraparliamentary groups, who are seeking to inaugurate a progressive political party, regard Kim as a hindrance to the establishment of a monolithic opposition party which is committed to progressivism and the fight against antidemocratic forces which dream of a "one-party dictatorship."

Of the three options open to him, Kim dismissed the first as unrealistic. Kim emphasized yesterday that it is unthinkable to counter the dictatorship without the existence of the PPD, and that his resignation would not help strengthen the opposition presence both in and outside parliament.

He also rejected this option, although not explicitly, by defining the current political situation as a phase of confrontation between democratic and undemocratic forces and between antidictatorship and prodictatorship groups.

But the pursuit of the second option, which seems in a sense inevitable for Kim, is not without difficulties. He may reap some "reflectional" gains caused by the negative aspects of the announced merger of the three parties. But the gains would not be great when compared to the loss of privileges he and his party enjoyed under the current four-party system.

Within the framework of parliamentary politics, he would probably be unable to command power as before. This means Kim would have to resort to extraparliamentary struggles by joining hands with radical groups. This would ad a touch of radicalism to Kim's line, even if he refuses to be projected as a revolutionary politician. This unwanted image would hinder Kim's goal of enlisting broad popular support for his antidemocratic and antidictatorship crusade.

The best option may be for him to proclaim the pursuit of a clearly-defined progressive line and combine it with his struggles for democracy and antidestpotism. The main tenets of this type of progressivism will have to be distributive justice, industrial democracy, political participation of trade unions and abolition of various restrictive laws.

Given the present political, economic and social circumstances, Kim's repeated expression of confidence in

transforming his misfortune into luck sounds like a bluff. He may be thinking that the PPD will be able to develop as a counterweight to the seemingly preponderant ruling side by bringing into question its legitimacy and thereby reaping reflectional gains. But these gains are only potentialities that have to be realized. Kim would perhaps be unable to translate these potential gains into real ones without transforming himself.

Merger Committee Members Named, Work Begins

SK2401025290 Seoul THE KOREA HERALD in English 24 Jan 90 p 1

[Text] A joint DJP [Democratic Justice Party]-RDP [Reunification Democratic Party]-NDRP [New Democratic Party] committee began to work out details of the merger of the three parties yesterday.

The inaugural committee members are scheduled to meet with President No Tae-u, Kim Yong-sam, president of the RDP and Kim Chong-pil, president of the NDRP at Chongwadae tomorrow to discuss procedures for inaugurating the new party and its platform.

Members of the committee appointed later yesterday by the three parties include Pak Chun-pyong, secretary-general, Yi Sung-yun, chief policymaker Chong Tong-sung, floor leader, Kim Chung-kwon, deputy secretary-general and Pak Chol-on, first state minister for political affairs, all from the DJP, and Kim Tong-yong, secretary-general, Yi Ki-taek, floor leader, Kim Tong-kyu, chief policymaker, Hwang Pyong-tae, special advisor to party president and Kim Tok-yong.

The committee members from the NDRP are Kim Yonghwan, chief policymaker, Choe Kak-kyu, secretary-general, Kim Yong-chae, floor leader, Yi Taek-sok, deputy floor leader and Rep. Sin Oh-chol.

The committee will push for registration of the new party before the end of next month to make it possible for the party to have its national convention in May as scheduled.

A sweeping cabinet reshuffle is likely toward the end of next month as a follow-up to the merger of three parties announced Monday.

A ruling camp source said yesterday that some portfolios of the cabinet are reserved for figures from the opposition Reunification Democratic Party and the New Democratic Republic Party.

The reshuffle will also affect the prime minister and deputy prime minister, the source said.

At the same time, key posts of the National Assembly including chairmen of the parliamentary standing committee will likely be reassigned following the cabinet reshuffle timed with the registration of the new party tentatively named the "Democratic Liberal Party."

Kim Yong-sam, president of the Reunification Democratic Party, told reporters following the Chongwadae meeting Monday that his party was prepared to share the responsibility of governing the country wit the ruling party at any time.

Business Leaders Respond Positively to Merger

SK2401013290 Seoul THE KOREA HERALD in English 24 Jan 90 p 6

[News Analysis by staff reporter Sim Yong-su: "Business Leaders Look to Party Merger's Benefits"]

[Text] Business leaders are bracing for the anticipated impact on the nation's economy of the announced merger of Korea's ruling Democratic Justice Party and two moderate opposition parties, widely dubbed as the biggest political upheaval in the republic's history. Their initial response, however, was that things, whatever the coming changes might be, will be better for them and for the future of the country's economy than now.

Partly in reflection of such a mood, heads of Korea's four major businessmen's organizations, including the Federation of Korean Industries, extended an immediate, yet hearty welcome to the merger plan.

Many Korean entrepreneurs sighed with relief upon hearing the news, hoping that a change in the political situation would provide the country with a breakthrough in its thus far seemingly losing battle to cope with its current economic troubles.

Many business leaders, agreeing that the current economic difficulty is attributable to political instability, said that the birth of a new powerful ruling party will be a big boost in the nation's battle against the looming economic crisis.

Some business leaders even speculated that the current economic trouble may have prompted leaders of the three parties to agree to the merger, something unprecedented in the republic's history.

In fact, the merger announcement followed months of repeated warnings from government officials, politicians and entrepreneurs that the country's economy is sinking to a point of no return, because of bitter labor disputes, rising wages and falling exports.

Businessmen seem to anticipate that under a new government, labor disputes, one of their biggest headaches, will be sharply reduced, and wage increase will be slowed.

Steep rises in local wages following labor disputes has been cited as a major cause for falling exports, along with the won's sharp appreciation against major foreign currencies.

While Korean entrepreneurs were exulted at the merger of the three parties and the approach toward a cabinet system of government, officials at government economic ministries were showing sighs of grief.

They worried that under the cabinet system, there will be little chance that they will be promoted to the head of their agencies because the top posts will be filled with National Assembly members, not by technocrats like them.

A depressed government official said, "The difference is that it has just gotten more difficult for career government officials to take the posts. It is already difficult for technocrats to be appointed as ministers because college professors too often take the posts."

The minister of the economic planning board [EPB] and the minister of trade and industry were college professors when they were appointed to present posts.

Already local media are speculating as to who will fill the economic cabinet posts in the next cabinet reshuffling, expected next month.

They predicted that President No Tae-u will give some key economic cabinet posts to the two opposition parties which have agreed to merge with his ruling party as a gift.

Widely mentioned as possible candidates for the most important economic cabinet post, the minister of the economic planning board by the press were Hwang Pyong-tae, a senior lawmaker in the Reunification Democratic Party [RDP] and Kim Yong-hwan, chief policymaker of the minor opposition New Democratic Republican Party [NDRP].

Hwang, widely known as a key mastermind of the merger, is RDP President Kim Yong-sam's special adviser on domestic political affairs.

Hwang won wide prominence after appearing on a national TV network's panel discussion in which he outshined rival panelist with his knowledge and eloquence.

Kim was finance minister under the late President Pak Chong-hui in the late 1970s when the nation's economy recorded one of its fastest growth growth rates.

It is widely believed that the deputy premier post is likely to go to the NDRP for the sake of a balance of power. RDP President Kim Yong-sam would accordingly be appointed as senior chairman of the new political party created by the merger.

Hwang seems to have another advantage over Kim in that he had a brief stint with the EPB as assistant minister.

Also tapped by the local news media for the post are Choe Kak-kyu and Yi Hui-il, lawmakers in Kim Chong-pil's NDRP, who also served as economic ministers.

The local press also predicted that Kim Tong-kyu, a senior lawmaker of the RDP, may be given an important post.

Popular attention is focused on who will become the next finance minister, a post where the life and death of businesses are at stake.

Political realignment is also expected to lead to the reorganization of some economic agencies.

As a possible change, government officials said, the EPB and Finance Ministry may be merged to strengthen the economic planning and finance control functions of the government.

But until the political reorganization is completed and a new government is put in place, the present moods of anticipation and anxiety are expected to continue in the nation's economic circles.

Chon Reportedly May Seek Exile in Britain

SK2401032290 Seoul YONHAP in English 0239 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 (YONHAP)—Former South Korean President Chon Tu-hwan is secretly planning to seek virtual exile in Britain by June, a Japanese newspaper reported Wednesday.

SANKEI SHIMBUN quoted a Korean source in Tokyo as saying, "Chun is now preparing to go outside the country on a trip, and the strongest candidate place for his trip is London, where a close associate is now studying."

The source said the United States and Australia were also considered as possible places for Chon to visit on his trip but were excluded because there are too many Koreans in the United States and there are rumors that Chon stashed ill-gotten wealth in Australia, according to the SANKEI report.

A departure date has not been set, but it will be in the first half of this year at around the end of June, the source was quoted as saying.

Chon thinks he is off the hook after a long controversy over alleged misrule during his administration and is seriously contemplating living abroad because he handed his house in a posh area of Seoul back to the nation before leaving for a Buddhist temple in a mountainous region in November 1988, the paper reported.

The former president and his wife still live at the remote temple in self-imposed exile.

Chon has repeatedly refused to consider overseas exile, saying he will do everything the Korean people want except go abroad.

Rumor Termed 'Groundless'

SK2401064890 Seoul YONHAP in English 0530 GMT 24 Jan 90

[Text] Seoul, Jan. 24 (YONHAP)—A report in a Japanese newspaper that former President Chon Tu-hwan is planning to seek virtual exile in Britain is a baseless and fictitious rumor, Min Chong-ki, Chon's secretary, said Wednesday.

SANKEI SHIMBUN had quoted a Korean source in Tokyo as saying, "Chon is now preparing to go outside the country on a trip, and the strongest candidate place for his trip is London, where a close associate is now studying."

The daily said Chon's departure date has not been set, but it will be in the first half of this year at around the end of June.

Denying the SANKEI report, Min said, "The report rests on a doubtful source. Moreover, it is groundless and fictitious."

Chon and his wife went into exile at Paekdam Temple in Mt. Sorak in the northeastern region on Nov. 23, 1988 and still live there.

Government To Get Tough in Labor Disputes

SK2001012490 Seoul THE KOREA HERALD in English 20 Jan 90 p 6

[News Analysis by staff reporter Sim Yong-su: "Government To Fight Labor Strikes With Ultra-Tough Policies"]

[Text] After taking a bystander's attitude toward sometimes violent labor disputes for the past two years as a show of its will for democratization, the government seems to have finally run out patience.

The government is taking an increasingly tough stance, reminiscent of that of the previous authoritarian governments of ex-Presidents Pak Chong-hui and Chon Tu-hwan, largely backed by a wide-spread popular sense of crisis in the nation's economy.

Yet the government's switch-back to the old toughness against labor disputes is drawing a favorable response from people, though labor activists accused the government of "trying to move back the clock to the old dark era of the past."

A key reason for such a favorable reaction appears to be the growing popular consensus that the economy will be wrecked unless labor disputes are checked properly and immediately.

Elated by such a favorable response, the government is to unveil today a new package of ultra-tough policies which feature wider use of police to break illegal labor conflicts.

The package, called "Countersteps to achieve industrial peace and to stabilize wages," is to be decided on at a special meeting of key cabinet ministers which is scheduled today at Chongwadae. The meeting is to be presided over by President No Tae-u.

The steps call for ending illegal labor strikes at a very early stage by mobilizing police, either with or without the request of the firms involved.

A special police team comprised of 63 companies of riot policemen will be on standby round the clock for the operations against illegal labor conflicts.

The government has set aside 9 billion won for the operation of the task force and purchase of equipment for the force, the Economic Planning Board [EPB] said yesterday.

Besides this, a massive operation to break up leftist underground organizations which government officials accused of instigating or organizing illegal, sometimes violent strikes will be staged beginning this month, according to the package.

For this, police intelligence agents posted at key industrial complexes will be increased to 337 from the current 163.

The five major industrial sites—Inchon, Puchon, Masan, Changwon and Ulsan—where labor disputes were frequently reported in the past will be put under special supervision by the labor authorities and the police.

The government is pushing for dissolution of the National Federation of Trade Unions [NFTU], an illegal nationwide labor organization, which has been accused of organizing or instigating labor conflicts across the country for the past two years.

The people have already been hunting for key leaders of the organization who have gone into hiding.

The police accused the NFTU of taking part in 63 labor strikes and rallies in 1989 alone.

The government's new tough policy which began last fall is showing favorable results, as evidenced by the sharp decrease in the number of new labor conflicts.

In the first two weeks of this year, 11 labor disputes occurred but nine of them were solved peacefully largely thanks to labor's unprecedented compromisary attitude, according to Labor Ministry statistics.

It may reflect that an increasing number of workers share management's concern that the economy may be already heading for the point of no return because of bitter labor conflicts which led to steep rises in wage costs and the plummet of Korean exports goods' international competitiveness.

An EPB survey showed that nearly 90 percent of people think the economy is in a crisis, with a about half of them pointing to labor strikes and excessive wage hikes as a key cause of the trouble.

A high EPB official said the economy experienced a similar degree of difficulty in the late 1970s because of the aftermath of the second oil shock in 1974 and the steep increase in wages following the construction boom in the Middle East.

But the nation managed to overcome the crisis because the people voluntarily united to support the government belt-tightening policies, the official said.

The fact that the crisis was caused by external factors helped people unite at the time, he said.

No Orders Crackdown on Illegal Labor Actions

SK2101005790 Seoul THE KOREA HERALD in English 21 Jan 90 p 1

[Text] President No Tae-u, calling for the maintenance of law and order, yesterday ordered crackdowns on masterminds of illegal labor disputes.

"Unlawful acts and violence by either labor or management should be sternly dealt with in accordance with the law, No told a meeting of key cabinet ministers at Chongwatae.

The ministers, including Prime Minister Kang Yong-hun and Deputy Prime Minister Cho Sun, met to discuss ways to ensure industrial peace and stabilize wages.

The President ordered the ministers to step up efforts to prevent laborers from being linked to "radical leftist elements,"

"Labor problems should be coped with resolutely at an early stage, and forces behind illegal disputes should be subject to stern punishment," he said.

"This spring will be a critical period in our efforts to firmly establish industrial peace," the President said.

He then instructed the ministers to step up efforts to foster consensus among the people on the need for resolute steps against labor unrest.

No called for close cooperation among relevant organizations in dealing with labor problems.

He also gave instructions that swift assistance to minimize damage be offered to businesses stricken by labor disputes.

Prosecutors Demand Prison Terms for Yim, Mun

SK2201064590 Seoul YONHAP in English 0634 GMT 22 Jan 90

[Text] Seoul, Jan. 22 (YONHAP)—Prosecutors demanded a 15-year prison term for radical student Yim Su-kyong and a 10-year term for the Rev. Mun Kyu-hyon, both on trial on charges stemming from a visit to North Korea, in court Monday.

In the hearing, boycotted by the pair's 70 defense attorneys, the prosecution argued that Yim and Mun violated the National Security Law by entering North Korea without government permission, by contacting the North at Pyongyang's instructions and by serving North Korea's military interests.

Yim, a senior at Hanguk University of foreign studies, went to Pyongyang last June to take part in the World Youth Festival as representative of the student activist group "Chondaehyop" and Mun made a defiant visit to the North to escort Yim home. The two were arrested immediately after crossing the border line in the truce village of Panmunjom on Aug. 15.

"Yim posed a threat to national security by her 47-day stay in the North, during which she sympathized actively with the North's propaganda strategy toward the South at various events and shocked and enraged people in the South," the prosecution said.

The prosecution also said Mun's act, which he contends was done out of religious conviction as a Catholic priest, cannot be construed as a religous act since it was not supported by other priests.

Yim and Mun were escorted away from the courtroom when they stood up and shouted, "(We reject this) anti-unification and undemocratic trial." The trial continued without them. Lawyers for the two dissidents quit en masse to protest the "unbalanced" attitude of the bench and were absent from the court.

Two court-appointed defense counsels were also absent because their motion to postpone the session was rejected by the judges on the ground that the warrant commiting Yim and Mun into custody is about to expire. The prosecution submitted as evidence a necklace that it claimed Yim was given while in the North.

Relatives and clergymen watching the trial walked out at the moment the prosecutor started his address and several students were removed from the court after shouting "Release Yim Su-kyong." The next session is scheduled for Feb. 5.

Soviet, South Politicians To Meet in Moscow

SK2401074290 Seoul YONHAP in English 0730 GMT 24 Jan 90

[Text] Seoul, Jan. 24 (YONHAP)—Soviet and South Korean politicians will sit down together in Moscow next month to discuss "settlement of Korean problems and the Soviet-South Korean relationship."

More than 30 politicians and scholars from both countries will participate in the Feb. 13-15 conference, one of the Soviet organizers said Wednesday.

The hosts are the Soviet Academy of Sciences' Institute for Economics of the World Socialist System (IEWSS) and Korea's private Institute of Parliamentary and Political Affairs and the sponsors are two private Soviet companies, Intergermos and Horos, Vasily Mikheev [spelling as received], deputy director of IEWSS's Asian department, said in an interview.

Intergermos and Horos have direct trade relations with Korean businesses.

O Se-ung, president of the Korean Institute and a former state minister for political affairs, will head the 13-member Korean delegation to the conference, in which officials from the Korean section of the Soviet Foreign Ministry and the Communist Party Central Committee will participate as observers, Mikheev said.

The Soviet economist is in Seoul to prepare for the conference, which he said was "first proposed by the Soviet side and will be very meaningful."

Mikheev said Soviet scholars will present five working papers, titled "Settlement of Korean Problems—New Political Thinking Against Old Ambitions," "Soviet-Korean Cooperation in Economy," "Regional Conflicts Where Socialist Countires Are Involved," "German Variant of Divided Nations and Restructuring the Soviet Economic System" and "New Mechanism of Cooperation With Foreign Countries."

He said there may be discussions on reunification of the Korean peninsula, split into the capitalist South and communist North at the end of World War II, in a closed-door session with officials from the Foreign Ministry and the Central Committee.

The Korean side is to present papers on unification approach and theory in a divided nation, the Korean perception of Soviet policy toward Northeast Asia, problems and prospects in South Korea-Soviet economic cooperation and how Korea sees the problems of the Korean peninsula, O said in a separate interview.

O, a retired five-term lawmaker, said he will propose a conference of politicians and scholars from South and

North Korea, the Soviet Union, the United States, China and Japan on Korean reunification.

Mikheev said the Soviet side is willing to accept the proposal but it is uncertain that the North will respond positively.

Mikheev, a specialist in Korean affairs who served as first secretary at the Soviet Embassy in Pyongyang for five years, said he hopes the conference proposed by O can be realized at an early date.

Korean delegates also include Yi Chong-Yul, a former state minister for political affairs, and former ruling party lawmakers Pae Song-tong and Song Yong-sik.

Soviet Economist on North Economy, Joint Venture

SK2201084190 Seoul CHOSON ILBO in Korean 20 Jan 90 p 3

[Report by Yi Yong-sun from an interview with Vladimir Mikeyev, deputy director in charge of Asian countries for the USSR Economics of the World Socialist System Institute]

[Text] "It is necessary that North Korea make epochal economic reforms if it is to more effectively implement economic cooperation with the Soviet Union and successfully carry out joint-venture projects that it may have with Korea in the future," said Vladimir Mikeyev, deputy director in charge of Asian countries of the USSR Economics of the World Socialist System Institute, on the prospects of the North Korean economy. He is visiting Korea to study its economy.

After noting that one way to promote economic relations and cooperation between the Soviet Union and North Korea, which have not developed very effectively, is for North Korea to introduce a market economy. He said, "just as the Soviet Union has tried to make economic reforms since General Secretary Gorbachev adopted perestroyka, North Korea must take corresponding measures."

However, Dr Mikeyev expressed pessimistic views on the possibility of North Korea's opening up, saying, "there is virtually no possibility that North Korea will make epochal economic reforms soon, or open its doors."

At one time he lived in Pyongyang for 5 years. He compared the North Korean economy to the court of a monarchy, calling its economy a "court economy," and pointed out that "North Korea's economy is run out of the necessity of its high-ranking leaders, not that of the people in general." In answer to the question of whether North Korea may participate in Korean-Soviet joint-venture projects, he said: Theoretically speaking, it is possible because Korea has the capital; because the Soviet Union has the resources; and because North Korea has the labor force. If Korea maintains a market economy and North Korea maintains a completely centralized economy, the possibility for joint-venture projects among the three is not great.

USSR Allows South Trade Offices in Moscow

SK2301025290 Seoul YONHAP in English 0216 GMT 23 Jan 90

[Text] Seoul, Jan. 23 (YONHAP)—The Soviet Union has given the green light for four South Korean general trading companies to open branches in Moscow and may allow six more firms to open offices in the Soviet capital later this year, a Korea Trade Promotion Corp. (KOTRA) official said Tuesday.

The official said formal permission was granted Jan. 15 by the Soviet Chamber of Commerce for Hyundai Corp. and Jan. 19 for Samsung Co., Daewoo Corp. and Lucky-Goldstar International Corp. to set up branches in Moscow.

The Soviet Union is about to give approval to Sunkyong Ltd., Kolon International Corp. and four or five more firms with fewer than 300 employees, the official said.

Hyundai and Lucky-Goldstar were not allowed to establish offices in Nakhodka, a strategic port city in the Soviet Far East.

Samsung plans to dispatch two or three employees and hire three or four locals for the branch office in addition to the two Korean and four local members of a liaison office set up a year ago in the Sovin (World Trade) Center in Moscow.

1,000 Northern Students Reported in Soviet Union

SK2301035490 Seoul THE KOREA HERALD in English 23 Jan 90 p 2

[Text] Seoul [NAEWOE]—North Korean students studying in the Soviet Union have exceeded 1,000 at the end of 1989, Radio Moscow reported last week. In a program boasting of the friendly ties between North Korea and the Soviet Union, the radio said that these North Korean students are now studying in colleges and universities in major cities in the Soviet Union, including Moscow, Leningrad, Odessa, Minsk, Volgograd, Kazan, Riga and Baku.

Underling the current bilateral friendly ties through the exchanges of students between the two countries, the radio said that several thousand North Korean students have graduated from universities in the Soviet Union since the 1950s, and have gone back to North Korea in order to engage in their particular fields of the people's economy as "capable experts."

Radio Moscow's account of North Korean students studying in the Soviet Union is noteworthy in that it closely followed reports that North Korea has been calling back home its students from East European countries for fear that these students would become

"infected" by the political reforms which are currently taking place in Eastern Europe.

Economic Cooperation Sought With Eastern Europe

SK2201055290 Seoul YONHAP in English 0525 GMT 22 Jan 90

[Text] Seoul, Jan. 22 (YONHAP)—South Korea will set up non- governmental committees on economic cooperation with Czechoslovakia and Bulgaria in February and April, respectively.

The International Private Economic Council of Korea (IPECK), established in November 1988 as a window for economic cooperation with socialist countries, exchanged notes on establishing the committees with the Czech Chamber of Commerce on Jan. 16 in Prague and with the Bulgarian Chamber of Commerce on Jan. 18 in Sofia, IPECK sources said Monday.

A five-member IPECK delegation embarked on a 16-day tour of four East European countries Jan. 13 to discuss cooperation in promoting economic exchanges.

The four nations are East Germany, Yugoslavia, Czechoslovakia and Bulgaria.

A Bulgarian delegation is expected to attend a meeting for establishing the committee and exchanging views on economic cooperation in Korea in late February and a Korean business delegation will later visit Prague in April or May to set up the committee, the sources said.

Daily on U.S.-North Korea Contact in Beijing

SK2101110190 Seoul KYONGHYANG SINMUN in Korean 20 Jan 90 p 2

[Editorial: "Frequent Contact Between the United States and North Korea"]

[Text] Contact in Beijing between the United States and North Korea, which has become more frequent recently, has drawn our keen attention. The U.S. State Department announced that the United States and North Korea had a seventh contact in Beijing between their high-level diplomats on 18 January.

The U.S. Department of State did not disclose in detail what was discussed in the seventh contact, which was reportedly held between the counselors of the two sides who are in charge of political affairs of the embassies in Beijing, except for an announcement that the contact discussed "substantial issues" that were pending between them and was "very useful." We find interesting the fact that the seventh contact was held at the request of the North Korean side only 13 days after the sixth contact was held on 5 January.

To sum up the contents of the proposals that the two sides reportedly advanced in the contacts thus far, the North Korean side called for the United States to hold direct dialogue between the two sides, to improve relations between them, to withdraw U.S. forces from South Korea, to replace the present military armistice agreement with a peace agreement, and to suspend the "Team Spirit" military exercises. On the contrary, the U.S. side urged North Korea to express sincerity in North-South dialogue and to build an atmosphere of mutual trust in the Demilitarized Zone, and called for discussions on the issue of repatriating the bodies of those U.S. soldiers who were missing in the past Korean war.

If these reports are true, it can be interpreted that the main aim of the U.S. side's contact with North Korea was intended, among other things, to improve relations between North and South Korea. In other words, the U.S. side's contact with the North can be interpreted as an effort not only to advise North Korea to contribute to preserving peace on the Korean peninsula, but also to persuade it to open its doors and thus, to turn the present confrontational relations between the North and the South into relations of cooperation.

In this sense, we see that there is no reason whatsoever why we should hesitate to positively assess U.S. efforts for contact with North Korea. Our government, as well, has adhered to the stand that it would rather assist its allies, including the United States and Japan, in improving their relations with North Korea, if the North renounces its line of revolutionizing South Korea. If our allies' contact with North Korea contributes to preserving peace on the Korean peninsula and serves to extricate North Korea from its international isolation, this would be precisely what we want.

However, we still cannot slacken our vigilance toward North Korea, because we cannot find any evidence which proves that North Korea has renounced its line of revolutionizing South Korea. The aim of North Korea, through its direct dialogue with the United States, is to make U.S. forces withdraw from South Korea and to conclude a peace agreement with the United States. The so-called "three-way talks" proposal put forward by North Korea also had this aim.

What we want to clearly tell the U.S. side, at a time when U.S. and North Korean diplomats have met frequently in a third country, is that the United States should hold a dialogue with North Korea after correctly grasping this invariable basic line and aim on North Korea's part. The issue of arms reduction between the North and the South, including the issue of withdrawal of U.S. forces from South Korea, is an issue which can be materialized and realized only when progress is achieved in North-South dialogue and when mutual trust is built between the North and the South. Therefore, the issue of arms reduction and the issue of U.S. troop pullouts are not the issues over which the United States and North Korea can bargain behind our backs.

We would like to believe that, in light of the present close cooperation between the Republic of Korea and the United States, our government must have been consulted with in advance of the contact between the United States and North Korea. However, what we want to

stress here is that any contact between the United States and North Korea should not result in giving a diplomatic disadvantage to the Republic of Korea. North Korea as well, if it really wants to improve relations with the United States, should renounce its closed-door policy at the earliest possible date, should show sincerity in improving North-South relations, and thus should open and reform its society.

Saudi Petroleum Minister Arrives for Visit

SK2301042090 Seoul THE KOREA TIMES in English 23 Jan 90 p 8

[Text] Saudi Arabian Petroleum and Mineral Resources Minister Hisham M. Nazir arrived here last night on a four-day visit at the invitation of Korean Energy-Resources Minister Yi Pong-so.

Nazir, who was accompanied by 'Ali I. Na'imi, president of the Arabian American Oil Co. (ARAMCO), and Ghazi M. Habib, senior vice president of the Saudi Arabian Marketing and Refining Co. (SAMAREC), is scheduled to meet with Yi today.

In the meeting, the two ministers will discuss maintaining friendly relations on a reciprocal basis in connection with Korea's imports of crude oil and petroleum products from Saudi Arabia, the largest oil-producing country.

While in Seoul, the Saudi minister will also meet with Deputy Prime Minister Cho Sun, Foreign Minister Choe Ho-chung and Trade-Industry Minister Han Sung-su to discuss ways to promote bilateral economic cooperation.

Nazir, together with his entourage, will hold talks with Sunkyong Limited and Yosu Energy Co. to consult terms of prices and volume in imports of Saudi Arabian oil.

Until 1987, Saudi Arabian crude accounted for the largest percentage of Korea's oil imports but in 1988 Korea's imports from the Middle East country declined sharply. Since last year, Korea's Saudi oil imports have been on the rise again.

In the first 11 months of last year, Korea's crude imports from Saudi Arabia amounted to 35,700 BPD [Barrels Per Day], accounting for five percent of Korea's total imports.

In addition to crude, Korea has imported 22,000 to 44,000 barrels of petroleum derivatives per day from Saudi Arabia since 1982.

Yosu Energy in particular imports Saudi Arabian LPG (liquefied petroleum gas) under a 10-year contract to purchase 330,000 to 650,000 tons between 1983 and 1986 and 800,000 tons between 1987 and 1992.

Ferry Service Between Korea, Japan Expands

SK2401063290 Seoul YONHAP in English 0604 GMT 24 Jan 90

[Text] Seoul, Jan. 24 (YONHAP)—Ridership on ferries between South Korea and Japan soared 43.5 percent last year, the Korea Maritime and Port Administration (KMPA) said Wednesday.

There were 194,968 passengers in 1989, up from 135,850 the year before, 100,542 in 1987, 73,336 in 1986 and 65,127 in 1985, the KMPA said. Tourists, in particular Japanese students on study tours, led the rise, encouraged by the opening of a Pusan-Osaka ferry service in 1986. Until then, the only ferry sailed from Pusan to Shimonoseki.

The increase will continue because of the opening of a Cheju-Nagasaki service last year, a Yosu-Hakata service in April this year, a Donghae-Tsuruga service in June and a Pusan-Hakata service at an undecided date, it said.

The growth rate for cargo on the Pusan-Shimonoseki and Pusan-Osaka routes has slowed sharply. Cargo shipments rose 2.1 percent last year to 51,822 twenty-foot equivalent units (TEU), 2.9 percent in 1988 to 50,774 TEU and 45 percent to 49,321 TEU in 1987, according to the KMPA.

Chartered Plane To Fly Koreans From Sakhalin

SK2401044290 Seoul YONHAP in English 0319 GMT 24 Jan 90

[Text] Seoul, Jan. 24 (YONHAP)—A South Korean airliner will land in the Soviet Far Eastern island of Sakhalin early next month to pick up a group of ethnic Koreans and fly them to Seoul for a three-week visit, the Transportation Ministry said Wednesday.

A Korean Air Boeing 727 chartered jointly by the Korean and Japanese Red Cross will fly to the Soviet island from Seoul on Feb. 8 through Japanese and Soviet airspace to collect the 120 Koreans.

South Korea and the Soviet Union opened limited consular relations recently, but it is unusual for a South Korean plane to touch down at a Soviet airport due to the lack of a bilateral aviation accord.

A Korean jumbo jet landed at Moscow Airport in December 1988 with relief supplies after the Armenian earthquake in the first scheduled landing at a Soviet airport.

The Koreans will be flown back to Sakhalin on March 1 after meeting relatives in South Korea, according to ministry officials.

Koreans were drafted by Japan for forced labor on the Soviet territory during its colonial rule (1910-45) of Korea.

The Korean Red Cross brought home 41 and 23 Korean residents in September and December last year. But that time the Soviet national carrier Aeroflot flew the Koreans to Niigata, Japan, and Korean Air relayed them to Seoul since there is no mutual aviation accord to enable flights over each other's territory.

The two nations are working on an agreement to launch regular flights between Seoul and Moscow on April 1.

The Soviet authorities recently allowed Korean Air jetliners on European routes to use its airspace because of the eruptions of Redoubt volcano near Anchorage Airport in Alaska.

Du Pont To Invest in Chemical Joint Venture

SK1901030890 Seoul YONHAP in English 0219 GMT 19 Jan 90

[Text] Seoul, Jan. 19 (OANA-YONHAP)—U.S. chemical giant Du Pont got the green light from the Foreign Capital Project Review Committee to invest 77.6 million U.S. dollars in a joint venture for the production of titanium dioxide Thursday, the final step in the application process, the Finance Ministry said.

Du Pont will put 32 million dollars in capital goods and 45.6 million dollars in cash into the 80-20 joint venture with Korea's Hanyang Chemical Corp., building a plant with an annual capacity of 60,000 tons of the chemical.

The cabinet gave the project its stamp of approval late last year, but only on condition that all hazardous waste is buried in the ground. There are fears that heavy metals could leak from the waste.

Faced with strong domestic opposition due to environmental concerns, Du Pont has waited four years since applying to set up the plant on its own in 1986.

Cabinet approval was based upon a study by the Korea Advanced Institute of Science and Technology, which said the waste produced in making titanium dioxide would not pose a grave threat to the environment.

However, a grass-roots campaign against the plant has been launched by an association of groups that want a pollution-free environment. In Korea, concern for the environment has recently begun mounting so high that Asia's first green party is to be launched here soon.

Further arguments and confrontations are expected between chemical companies and environmentalists as a result of relaxation of regulations on foreign investment.

The review committee also gave permission to three other foreign investments, including British Petroleum Chemical's 13.7 million dollar investment in a plant to produce acetic acid, vinyl acetate monomer and hydrogen.

Foreign Cargo Vessels To Come for Inspections

SK1901021990 Seoul THE KOREA HERALD in English 19 Jan 90 p 3

[Text] Foreign cargo vessels will be coming to Korea for ship inspection after Korea officially joined the Institute of Classification Clause (ICC) this month.

The Korean Register of Shipping (KR) is the tenth organization to join the ICC, which is comprised of the world's major classification societies. ICC members inspect cargo ships when they are being built, making sure that the ICC's guidelines are met, KR said yesterday.

Nearly 95 percent of all cargo vessels are classified by ICC members, primarily because insurance rates for cargoes carried by ICC-approved ships are cut by about 5 percent, according to KR.

KR officials said they expected vessels carrying flags of convenience as well as those from the East bloc will be coming to Korea for classification, bringing Korea approximately 2 billion won in fees annually. The Korean register charges 5 million won for a 30,000-ton vessel, officials said.

About 180 Korean vessels were classified by foreign registers as of December last year, where fees are five to 10 times higher than that of KR, they said. With Korea inspecting its own ships, coupled with the five-percent cut on cargo insurance, the country is expected to save close to 18 billion won a year, KR said.

Korea paid 125 billion won in cargo insurance in 1988.

KR was voted into the ICC effective last Jan. 1 by the Joint Cargo Committee. The Korean register joined the 11-member International Association of Classification Societies (IACS), a body which determines classification guidelines, in May 1988 before applying to ICC.

KR and Liberia had previously agreed on a pact last August in which KR was approved as a suitable classification society for Liberian vessels. Korea signed a similar deal with the Soviet Union in November.

The Korean register is a 30-year-old organization, relatively new compared to foreign registers.

Burma

BBC Reports Student Demonstration in Rangoon

BK2301144190 London BBC in Burmese to Burma 1400 GMT 23 Jan 90

[Text] According to news reports from Yangon [Rangoon], more than 200 students and other demonstrators rallied in front of the city hall on Monday [22 January] to protest and express their displeasure over what they foresee as the banning of opposition leader Daw Aung San Suu Kyi from the general elections scheduled 4 months from now. Neil Kelly reports from Bangkok that according to Yangon residents and diplomatic sources, the crowd dispersed after being warned that the army had been given orders to shoot at the demonstrators.

While the demonstrators chanted for the release of Daw Aung San Suu Kyi from house arrest, members of the Elections Commission in the city hall were considering the final appeal submitted on her behalf for the right to contest in the elections. The decision by the commission has not yet been officially announced.

When asked by phone, officials of Daw Aung San Suu Kyi's party—the National League for Democracy—said today that they have not heard anything yet, but that earlier, they were told to wait for an official announcement on the decision. It was said that the massive deployment of troops on the city streets appears to show that the Elections Commission has decided not to let Daw Aung San Suu Kyi run in the elections.

The attitude of soldiers carrying weapons with bayonets behind riot shields appears threatening. According to a tourist arriving in Bangkok, the soldiers seem ready to pull the trigger.

Diplomatic sources say several Western nations and Japan have already warned the Burmese Government that they would not recognize the elections if Daw Aung San Suu Kyi and the other opposition leaders are barred from the elections.

Daw Aung San Suu Kyi, 44, daughter of the martyred national leader of Myanma [Burma], has been under house arrest since last July.

Karen Insurgent Mine Injures Two Workers

BK2401010490 Rangoon Domestic Service in Burmese 1330 GMT 23 Jan 90

[Text] KNU [Karen National Union] insurgents have been disturbing local peace and tranquillity by planting mines on public transport routes and carrying out mindless attacks and killings.

At about 0820 on 18 January a mine planted by KNU insurgents exploded when 14 road repair workers arrived near Peindawkyaung Bridge on Kya-in Seikkyi-Metheyaw road. As a result of the explosion, two workers were wounded. The two wounded workers—Ko Hla Shwe, 32 and Ko Tin Soe, 30—are receiving medical treatment at Kya-in Seikkyi Hospital.

Regime Embarks on More Liberal Economic Program

BK2401015190 Bangkok BANGKOK POST in English 24 Jan 90 p 16

[Text] Burma's already depressed economy had plunged precariously following the suppression of pro-democracy demonstrations in 1988, which has since ushered in the military government of Gen Saw Maung. But there have been encouraging signs of late as the ruling regime started embarking on a more liberal economic programme which, among other things, saw the first series of agreements on foreign investments in the field of tourism and oil exploration. These new economic trends are documented in a recent report compiled by the Economist Intelligence Unit. Here is an edited version of the report.

Economic Overview

The price of rice, the country's main food item, continues to rise despite government efforts to control the rate of inflation by providing cheap and subsidised rice through cooperatives and special shops for the poor. The government has placed the blame on greedy traders, hoarding by consumers and the actions of civilian-led political parties, but the basic cause is acknowledged to be the freeing of the market in 1987.

The state is attempting to bring down prices by distributing 20,000 sacks (about 680 tons) per day in Rangoon Division. These supplies are said to reach about 3.8 million of the capital region's 4.3 million residents (implying that they each receive about 180 grammes a day). The state system provides about 15 kg a month to public-service employees and about 170 grammes per day to the poorest manual labourers.

There is, however, a substantial difference between the government-set rice prices and those prevailing in private markets. The continuing pressure on consumer incomes is politically very sensitive because increases in rice prices and food shortages were among the main underlying causes of the political upheavals in Rangoon and other large cities in 1988.

Joint Ventures

In the name of eliminating the major props of the old socialist order, four new government-private joint ventures were set up in the first six months last year. Joint Venture Corporation 1 (JVC 1) began trading in imported edible oil last July. At the same time, it was also completing contracts for its first exports of jelly fish, cane and timber.

Private-sector shares in all four corporations sold quickly. As much as straightforward investments, investors saw them as forms of licensing and protection for separate private ventures.

The Ministry of Trade announced the fifth joint venture—Myanma [Burma] Naing-Ngan Joint Venture Corporation No 5—last August. The corporation, which will engage in the manufacture of construction materials, undertaking construction work and related import-export activities, is similar to the previously formed joint-venture corporations.

Of the total 50 million kyat (189.5 million baht) which formed the initial investment, 5 million kyat each came from the existing government Construction and Electrical Stores Trading Co, the Inspection and Agency Service Organisation and the Medicines and Medical Equipment Trading Co. The remaining 35 million kyat was being raised from the private sector, from which will come seven of the 10 members of the board.

Joint Venture Corporation No 6 will handle domestic and foreign trade in marine products and equipment. Some 100 million kyat of the initial 500 million kyat invested in this corporation came from the General Merchandise Trading Co while 75 million kyat came from both the Restuarant and Beverage Enterprise and the Medicines and Medical Equipment Trading Enterprise, with the remainder being subscribed to by the public.

One floor of downtown Rangoon's People's Department Store has been opened as a sales outlet for products of the South Korean manufacturer Daewoo. Daewoo electrical and other products including televisions, radios, rice cookers, washing machines and bicycles were made available from last July. More expensive items will be for sale only for foreign exchange while smaller items are sold for Kyat.

Foreign Joint Ventures

Until last August, the only foreign joint-venture firm in Burma was that established under the "socialist" order with the West German firm Fritz Werner to trade in metals and arms. Last August, two new joint ventures—Myanma-Singapore and Myanma-Malaysia International—were set up. The Singapore joint venture is between Construction and Electrical Stores and Stationery, Printing, and Photographic Stores Trading Corporations of the Ministry of Trade and SKS Marketing (Pte) Ltd of Singapore.

It has an authorised capital of 50 million kyat ($7.7 million at the official exchange rate). It is owned equally by the Burmese and Singaporean partners. The new venture was officially said to be for trading in "electrical goods, stationery and printing and photographic goods."

The Malaysian joint venture, formed between the General Merchandise Trading, the Vehicles, Machinery and Equipment Trading, and the Construction and Electrical Stores companies of the Ministry of Trade with Burmal Holdings Sdn Bhd, is capitalised at 100 million kyat (about $14.7 million) with the Burmese partners holding 60 percent and the Malaysian 40 percent. The firm will operate in the assembly and trading sectors.

A second Singaporean joint venture was established last September by Myanma Metal Industries of the Ministry of Industry I and NC Woodwork and Construction (Pte) Ltd. The firm will manufacture wooden door leaves.

Meanwhile, the new Myanma Investment and Commercial Bank was also officially opened last September by Col D.O. Abel in his capacity as Minister of Planning and Finance. The bank will be responsible for providing banking services including local and foreign credits for joint ventures involving foreign investment. It is a beginning in rectifying the major shortcomings of the banking system. No foreign banks have yet been permitted to open offices in Burma.

Under new regulations, Burmese nationals earning foreign exchange, such as embassy employees and those working abroad, have been permitted to open foreign exchange accounts at government banks. Some 25 percent of the total value of accounts must be exchanged for kyat at the official rate, but the remaining 75 percent will be available for foreign-exchange purchases.

According to an article in a regional business magazine published last October, about 5,000 foreign-exchange accounts had been opened, in which a total of $5 million had been deposited.

At the same time, agents for foreign companies including technical representatives and product specialists are again legally allowed to operate in Burma, after having been banned several years ago. According to an order issued by the Minister of Trade last October, agents must first register with the government and pay a fee on a sliding scale pegged to their income in US dollars.

Industry, Construction, Transport

In what the government apparently hoped would be taken as a symbolic indication of the magnitude of the changes in economic policy in Burma that have followed the formation of the military government in 1988, it was announced last September that the Coca-Cola Corporation had agreed to work with the government-owned Myanma Foodstuffs Industries to produce and market soft drinks. Up to now, only local brand soft drinks have been manufactured in the country while Coca-Cola and other international brands were available only on the black market.

Western trade with Burma has been severely curtailed in the last two years (since the crackdown on pro-democracy demonstrations in 1988)—the result of political upheavals, economic decline and restrictions on aid and trade support by most foreign governments. Last August, however, the Norwegian steel firm Nordic Intertrade secured an order for 92 million krone worth of goods, largely shipbuilding plate.

Tourism looks set to begin finally to expand in Burma as a result of the signing of a joint-venture contract between Myanma Hotels and Tourism Services and the Austrian firm IAEG. The signing took place in Vienna last

October. A 760-room hotel is planned to be built in Rangoon, a 434-room hotel in Mandalay and a 176-room hotel in Pagan, at a total cost estimated at $110 million.

Construction was supposed to commence at the end of last year and the hotels will be completed in 1993. IAEG will operate the hotels for an inital 15 years after which they will be handed over to Myanma Hotels and Tourism.

Mining Energy

Last October, the Myanma Oil and Gas Enterprise entered into a 25-year production-sharing contract with Yukong of South Korea to explore and produce petroleum products in onshore Block C, a zone of about 39,000 square kilometres, in the Chindwin area 960 km north of Rangoon. Yukong, South Korea's second largest refiner, will invest about $70 million over the next five years.

This was the first onshoare oil exploration agreement by the government since the old Burmah Oil joint venture was wound up after the 1962 military coup. It was quickly covered by a second contract, also for 25 years, with Shell Exploration of the Netherlands for exploration and production in a block reported to be in central Burma. Burma currently produces about 12,000 barrels a day, insufficient to meet local demand.

Foreign Trade, Payments

According to available Organisation for Economic Cooperation and Development figures, Burma's foreign debt rose from $4,768 million at the end of 1986 to $5,980 million at the end of 1987 (or constituting 60 percent of gross national product at the official exchange rate). The steep rise is not only a consequence of the country's declining ability to make payments on interest and capital due in 1987, although at $238 million, these were actually lower than in 1986, but also because of exchange-rate fluctuations and other factors.

However, as less new capital flowed into the country during 1987, the trend was very unsatisfactory.

According to the statistics for the first quarter last year, Burma's imports and exports remain well below the poor figure for the same quarter in 1988. No immediate improvement appears to be in sight. However, the balance of trade was in surplus for the second quarter running, a rare event in recent times, though one which reflects the flow of imports necessitated by a depressed economy and a precarious reserves position. The low level of imports has doubtless helped fuel inflation.

The government has husbanded its scarce foreign-exchange earnings sufficiently to allow the reserves situation to strengthen since the crisis days of mid-1988. If the new foreign joint-venture agreements and investments in oil and tourism proceed, the situation should improve further in the near future.

Commission Continues Deregistration of Parties

BK2401031790 Rangoon Domestic Service in Burmese 1330 GMT 23 Jan 90

[Text] The Commission for Multiparty Democratic General Elections of the Union of Myanma [Burma] has issued Announcement No 367, dated 23 January 1990—13th day of the waning moon of Pyatho, Myanma Era 1351. The announcement reads:

Subject: Deregistration of Political Parties

1. The Commission for Multiparty Democratic General Elections of the Union of Myanma, upon receipt of applications for registration from political parties, permitted their registration in accordance with the Political Parties Registration Law.

2. However, registration of the following political parties has been annulled effective 23 January 1990 as requested by the political parties concerned:

Democratic Republican Front, Burma, No 58, lst floor, Maha Bandoola Park Road, Kyauktada township, Yangon [Rangoon] division, Announcement No 54, dated 27 October 1988

The Justice Party, No 47, Nyaungbin Road, West Ward, Magyi Street South, Kemmendine township, Yangon division, Announcement No 121, dated 12 November 1988

By the authority vested in me.

Signed: Aye Maung, secretary

Brunei, Malaysia & Singapore

Malaysia

Offer To Host ESCAP Withdrawn Over Israel

BK1701113190 Kuala Lumpur BERNAMA in English 1033 GMT 17 Jan 90

[Text] Kuala Lumpur, Jan 17 (OANA-BERNAMA)—Malaysia has retracted its offer to host this year's annual session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) after failing to resolve problems over the presence of Israel, which is an observer at the meeting.

A Foreign Ministry official told BERNAMA Wednesday [17 January] that the Malaysian Government informed the Bangkok-based ESCAP of its decision sometime last month.

The ministerial-level meeting will be held instead in June in Bangkok. The Kuala Lumpur meeting was scheduled from March 19-28.

Malaysia, which has no diplomatic relations with Israel, is a strong critic of Tel Aviv's actions against the Palestinian struggle for an independent homeland and sovereignty.

According to the official, problems had arisen over the use of nameplates identifying the seating for Israel at the meeting and the use of the Israeli flag.

Malaysia made the offer to host the session at last year's meeting in Bangkok held from March 27-April 5, which was attended by an estimated 43 member countries, several observer nations and over 80 non-governmental organisations.

Commentary Hails Initiatives for Cambodian Peace

BK2301111590 Kuala Lumpur International Service in English 0800 GMT 23 Jan 90

[Station commentary]

[Text] It is encouraging to note the keen interest in and commitment to peace in Cambodia being demonstrated by the five permanent members of the Security Council. The French prime minister, for example, was in Bangkok on an official visit. He issued a joint statement with his Thai counterpart pledging full support for the UN plan for free and fair elections in Cambodia. France, it was remembered, was the cochairman along with Indonesia of the international conference on Cambodia a few months ago. France has historically played a significant role in the search for peace in the Indochina region. It will doubtlessly be able to provide aid in the field of education as well as for economic infrastructure in Cambodia. Similarly, another prominent visitor to Bangkok, Lord Brabazon of Tara, a well-known British parliamentarian, has also pledged British aid for the economic reconstruction of Cambodia.

All these promises should serve as a moral booster to the leaders of all factions in Cambodia. Rather than wasting their meager resources on civil strife, they should allow the UN to establish a strong civilian and military presence. Similarly, they should be willing to abide by the results of the national elections. It is the people of Cambodia alone who should be allowed to decide the kind of government they want for their country. The UN presence will be a tremendous moral booster. Now that all the five permanent members of the Security Council, too, have achieved a unanimity of outlook, the prospects cannot be better.

The world media has generally welcomed the Paris conference's decision. But, some observers have expressed scepticism about the scale of expenses necessary to man a UN presence in Cambodia. The only argument that one can bring up is that what the UN will need in Cambodia will be a mere fraction of what the big powers and the middle powers now allocate for armaments. It is much better to spend a relatively smaller sum now on peacekeeping than to have to find bigger sums later on for a wider conflict.

Malaysian Foreign Minister Datuk Abu Hassan Omar has been in close touch with his Indonesian counterpart, Mr Alatas. The two foreign ministers had met in Chiang Mai, Thailand, the previous week and more recently, too, at the Malaysia-Indonesia youth dialogue. Malaysia looks forward to the talks due to be held in Indonesia next month.

Of course, the meeting will be attended by all the six ASEAN countries. In addition, Vietnam and Laos will be present. If the four Cambodian factions will be coming among the delegates, it is probable that both France and Australia will be attending in view of the initiatives they have taken to bring the UN Security Council permanent members together. Malaysia has always supported every move meant to bring about peace and stability in Cambodia. It will try to make the February meeting in Indonesia a success.

Cambodia

Sihanouk Resigns as Head of Resistance Movement

BK2401033290 Hong Kong AFP in English 0329 GMT 24 Jan 90

[Text] Beijing, Jan 24 (AFP)—Prince Norodom Sihanouk is quitting as head of the Cambodian resistance movement because of widespread "hostility" toward him, the prince said in a statement released here Wednesday.

From his residence here, the former Cambodian monarch said he would not attend any international conference or inter-Cambodian talks on the future of his country.

Prince Sihanouk added that he would make no further contact with the press, diplomats or politicians, "except for my friends in the People's Republic of China and the People's Democratic Republic of Korea (North Korea)." He said he would retain his title as the "legal head of the Cambodian state," and that his ouster in a coup by General Lon Nol in March 1970 was "absolutely illegal."

Prince Sihanouk, practiced at spectacular political moves, also said he planned to run in free general elections if they are organized in Cambodia.

His press statement said there had been growing hostility toward him "since the failure of the (August 1989) international conference in Paris on Cambodia."

Hostility had also mounted, the statement said, "since the Khmer Rouge have continued since October 1989 to score strategically important victories against the Vietnamese Army and its stooges," a reference to the troops of the Hanoi-backed Phnom Penh government.

Hanoi announced a total troop withdrawal from Cambodia in September 1989, but the pullout was conducted without international oversight and the resistance claims it was not valid.

SPK Comments on UN Security Council Document

BK2301045190 Phnom Penh SPK in English 0126 GMT 23 Jan 90

["Danger of Genocidal Pol Pot Regime's Resurgence Remains in Cambodia"—SPK headline]

[Text] Phnom Penh SPK January 22—The recent two-day meeting of the five permanent members of the UN Security Council in Paris which debated the perspectives of a political solution to the Cambodian issue and passed a 16-point document underlining the Cambodian peoples right to self-determination has clearly reflected UN's high concern over the quest of peace in Cambodia.

The Cambodian people acclaim these efforts which are aimed at making Cambodia a peaceful, sovereign, neutral and non-aligned country. However, the core of these endeavours is how to prevent the recurrence of the genocidal Pol Pot regime held responsible for the massacre of millions of Cambodian people and crimes against peace and mankind. Public opinion is well aware of the Pol Potists' new crimes against the Cambodian people along the Cambodia-Thailand border, crimes similar to what they committed during their rule in the country from April 1975 to January 1979.

Recently, the 12-members of the European Economic Community issued a statement stressing their total objection to the policy of genocide carried out by the Khmer Rouge with Pol Pot as ring-leader. They also noted that the total withdrawal of Vietnamese volunteer Army from Cambodia had helped accelerate the process of finding a political solution to the Cambodian conflict. They urged a cessation of hostilities and foreign military aid to all the Cambodian factions.

For his part, Thai Prime Minister Chatchai Chunhawan has welcomed a petition from 90 Thai M.P.'s demanding that Bangkok block arms shipments to the Khmer opposition coalition and that foreign countries not be allowed to use Thai territory as a route to send troops, weapons or food suplies to any Cambodian faction.

It is still fresh in our minds that last November, 17 members of the House of Representatives and 26 Senators, in a motion to the U.S. Government, said that the Khmer Rouge Pol Potists remain a threat to the Cambodian people and that it is not a subject to call them to join in any mixed government of Cambodia.

Another document signed by 125,000 Britishmen, in coordination with a non-governmental organization "OXFAM" [Oxford Committee for Famine Relief], and addressed to the British Foreign Ministry criticized the British Government for supporting the government of Democratic Kampuchea and for having backed the presence of the Khmer Rouge-controlled coalition government at the United Nations.

French Foreign Minister Roland Dumas stated at the meeting in Paris recently of the UN Security Council that the prevention of the return of the Khmer Rouge to power was of significant importance. He reminded the meeting of French President Francois Mitterrand's statement that "there can be no compromise with the Khmer Rouge".

However, the joint document of the UN Security Council meeting failed to mention the danger of the recurrence of the genocidal Pol Pot regime and the ever growing demand for vacating the Cambodian seat at the UN.

Chairman of the Cambodian Council of Ministers Hun Sen, in a recent interview with a French magazine "NOUVELLE OBSERVATEUR", said that a peaceful solution to the Cambodian conflict is always the objective of the Cambodian Government and people. The Cambodian people wish the UN Security Council success in its next meeting aimed at seeking a fair formula for the settlement of the Cambodian problem.

The Cambodian people have no other desire than to live in peace and prosperity, a life free from the danger of the return of the genocidal Pol Pot regime.

Hun Sen Explains View of Australian Peace Plan

BK2401162090 Hong Kong AFP in English 1607 GMT 24 Jan 90

[Text] Phnom Penh, Jan 24 (AFP)—Prime Minister Hun Sen said Wednesday the United Nations would be given access to this war-torn country only when the thorny issue of Cambodia's seat in the New York-based world body has been settled. The seat is currently held by the resistance, grouping the China-backed Khmer Rouge with non-communist factions led by Prince Norodom Sihanouk and nationalist Son Sann, but Mr. Hun Sen suggested that it should be given to an interim council grouping representatives of the opposing sides.

The Phnom Penh leader, speaking at a press conference, put forward a three-point plan based on an Australian peace proposal which calls for the vacating of Cambodia's U.N. seat and the installation of an interim U.N. administration to prepare for free elections. He said that a way to get clear the blockage caused by the U.N. seat issue would be to set up an interim national council that would include representatives of the opposing sides and be in power until general elections.

"I cannot accept the kind of football where one of the teams also acts as referee," said Mr. Hun Sen. He said the Australian plan called "clearly for the vacating of the Cambodia seat," adding that if the world body did not change its position "the United Nations will not be able to come" to Cambodia. He said the Australian plan "is a base for negotiations on a settlement" but "there must be a (peace) formula acceptable to everyone."

The premier refused to accept the simultaneous dismantling of the two Cambodian administrations, saying "it's an unrealistic policy... A dismantling will create chaos

propitious for the return of the Khmer Rouge," who subjected Cambodia to a four year reign of terror between 1975 and 1979. Mr. Hun Sen said the two governments should instead look after the economic and social well-being of the people living under their spheres of control.

Diplomats reckon that the tripartite resistance now holds about 10 per cent of Cambodia's territory along the border with Thailand.

When asked if Khmer Rouge leader Khieu Samphan could be included in the proposed council, Mr. Hun Sen said only that it was up to "each of the two parties to choose its representatives."

He said that a U.N. role would include monitoring a peace pact, cease-fire and the holding of general elections as well as verifying the Vietnamese troop withdrawal and an end to overseas military aid to the warring parties. Vietnam troops left Cambodia for good in September, Hanoi has said.

Tie Banh Greets SRV Counterpart on New Year

BK2201150590 Phnom Penh Domestic Service in Cambodian 1200 GMT 22 Jan 90

[Text] On the brotherly Vietnamese people's traditional new year, Comrade General Tie Banh, defense minister of the State of Cambodia, conveyed a greetings message to Comrade Le Duc Anh, defense minister of the fraternal SRV.

The message said in essence:

Beloved Comrade: On the traditional new year of the brotherly Vietnamese people, on behalf of all the cadres and male and female combatants of the Cambodian People's Armed Forces and in my own name, I am very happy to celebrate the new year with you and would like to convey best wishes to you and your family. May you have the best of health, vigorous physical strength, longevity, and happiness.

I would like also to greet, through you, all the cadres and male and female combatants of the Vietnamese People's Army and the families of the Vietnamese volunteers who were killed or have been disabled for the cause of the Cambodian revolution. May all of you have good health, happiness, vigorous energy, and new, still greater successes in the implementation of your present sacred tasks.

In this new year, may all of you score more successes, and may the relations of solidarity, friendship, and special multifaceted cooperation between our two peoples and armies further develop and consolidate.

Please, comrade, accept my highest regards.

Guideline Issued on Marking Anniversaries

BK2201094590 Phnom Penh Domestic Service in Cambodian 2300 GMT 20 Jan 90

["Guideline" of the Central Propaganda and Education Commission on organizing celebration of the 60th anniversary of the Indochinese Communist Party; date not given—read by announcer]

[Text] In 1990, besides the historic anniversaries of our people and anniversaries of the world, our people will take part in celebrating major anniversaries of several fraternal countries. The coming date of 3 February 1990 will be the 60th anniversary of the founding of the Indochinese Communist Party [ICP]—the origin of the Communist Party of Vietnam, the Kampuchean People's Revolutionary Party [KPRP], and the Lao People's Revolutionary Party. Together with the Vietnamese and Lao peoples, our people throughout the country will solemnly mark this anniversary on the basis of further enhancing the firm bonds of militant solidarity of the three peoples on the Indochinese peninsula.

In this sense, in order to properly implement Decision No 128 of the party Central Committee Political Bureau, dated 6 December 1989, dealing with the organization of major anniversary celebrations in 1990, the Central Propaganda and Education Commission would like to make a number of instructions as follows:

I. Objectives and Propaganda Contents:

Provide education on the history and tradition of the bonds of militant solidarity among the three parties, armies, and nations—Cambodia, Vietnam, and Laos—in the struggle against common enemies, from the French colonialists and U.S. imperialists to the Great Han hegemonist-expansionists, especially since the birth of the ICP.

At the same time, clearly indicate that the factor determining all victories won by the three Indochinese countries in the cause of liberating the nation and protecting national independence and the cause of defending and rebuilding each country rests in the fact that their working class parties—which had sprung out of the ICP—had correct leading lines.

Clearly look at the maneuvers of the gang of Pol Pot, Ieng Sary, and Khieu Samphan—the subservient lackeys of the Beijing expansionists, traitors to the nation and people, betrayers of pure Marxism-Leninism—who have tried to subvert and undermine the Cambodia-Vietnam-Laos bonds of militant solidarity and who have distorted the true history of the party, causing a great danger to the nation and the people's lives.

At the same time, we must clearly see the danger of the return to power of the genocidal Pol Pot regime and the true nature and perfidious tricks of the enemies who, during the past 11 years as well as in the future, have tried and will try by all means to continue implementing

destruction against the peaceful existence of the Cambodian people and to split the firm bonds of solidarity of the three Indochinese countries.

Provide political training so that the inner ranks are constantly well aware of the current situation and tasks of the country, especially the developments and changes in the situation at the front and the situation of both political and economic restructuring of socialist countries in Eastern Europe. On this basis, it is imperative to clearly see our correct and just cause of struggle and to have confidence in the position and strength of the Cambodian revolution, which is fully capable of independently assuming the tasks of national defense and reconstruction.

At the same time, have a clear understanding of the cause of the war created by the three resistance groups, a war which is proceeding in a most intensified, complex, and resolute manner between us and the enemies at present as well as in the future. This calls for the entire party and armed forces to hold aloft the spirit of responsibility toward the fate of the nation and people; aim ever more vigorous offensives against the enemies; and jointly pledge to implement at all costs all the political tasks in the new stage, especially the resolutions of the 2d national party cadres conference and of the 9th and 10th Central Committee sessions, by firmly upholding the slogan: "Everything for the battlefield and for the motherland and the happiness of the people."

Heighten and tighten the bonds of solidarity around the party on the basis of enhancing the confidence of the masses and people in the leadership of the KPRP and in the strength of the revolution and State of Cambodia by firmly grasping and really implementing the slogan: "Everything for enhancing the confidence of the masses and people in the new regime" and bringing it up in the daily-life activities of all party organizations and all party members.

Strive to reduce the negative phenomena in society; raise the spirit of criticism and self-criticism; and bring out examples of cadres and party members regarding their revolutionary struggle stance, their resolute determination to fight the enemies, and their clean living morals and appropriate life-style closely linked to the front line. Preserve internal unity and solidarity with the people and strengthen and enhance the relations, bonds of militant solidarity, friendship, and cooperation among the parties, governments, and peoples of Cambodia, Vietnam, and Laos.

II. Measures for Organization and Implementation:

1. At the central level, the Committee for Organizing National and International Holidays shall cooperate with institutions concerned and the Vietnamese and Lao Embassies to Cambodia in organizing meetings marking the 60th anniversary of the ICP's founding.

2. The provinces and cities shall also organize meetings according to prevailing local conditions, particularly provinces visited by their twin provinces on this occasion, and shall send greetings messages to their twin provinces.

3. The Cambodia-Vietnam Association in cooperation with the Cambodia-Laos Association with the guideline from the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD] shall organize get-togethers where representatives of the Vietnamese and Lao Embassies to Cambodia and veteran party members who used to work in ICP chapters shall be invited to speak, recalling the history of struggle of the ICP and KPRP.

4. The newspaper PRACHEACHON [THE PEOPLE], the magazine NEAK KHOUSNA [THE PROPAGANDIST], the front's bulletin, mass organizations, and other media networks shall carry series and special issues on the anniversary day devoted to the history of the ICP and the thoughts, activities, and life of President Ho Chi Minh in the revolutionary cause of the three Indochinese countries, together with the correct leadership of the KPRP vis-a-vis the Cambodian revolution in the new stage.

The Central Committee's Political School shall organize a seminar based on the above-mentioned desiderata and contents by inviting a number of leading cadres and party members who received theoretical and political training at the school to take part in the discussions along with representatives of the Vietnamese and Lao Embassies.

Party committees, ministries, and offices at the central level shall have plans to instruct subordinate provincial party committees to study the documents of the Central Propaganda and Education Commission. The Education Ministry in cooperation with the Youth Union Central Committee shall advise all schools to open courses for the study of documents of the Central Propaganda and Education Commission and organize tests on understanding the history of the ICP, while closely linking this understanding to that of the current situation and tasks of the country. It shall also encourage students to send greetings messages to Cambodian as well as Vietnamese and Lao combatants and party members who are engaged in the task of defending the revolutionary cause of each country.

The messages to Cambodian combatants and party members shall be sent to the National Defense Ministry, whereas the messages to the Vietnamese and Lao combatants and party members shall be addressed to the Vietnamese and Lao Embassies before 3 February 1990.

5. The Ministry of Information and Culture in cooperation with the Vietnamese and Lao Embassies shall organize a week of movies and exhibitions on the history of the ICP and the tradition of solidarity and struggle in the cause of the motherland and for the development of the three Indochinese countries, in the past as well as at present.

6. The KUFNCD National Council shall organize a program for party, state, and front delegations to visit Vietnamese and Cambodian workers currently involved in the building of the Party School.

7. Propaganda work through radio, television, and newspapers shall start as of 20 January 1990 until 20 February 1990, peaking on 2, 3, and 4 February 1990 on the basis of the above-mentioned contents and desiderata.

The Central Propaganda and Education Commission is hopeful of and confident in the spirit of solidarity of all levels, sectors, and localities in implementing this guideline with great results and reporting them to the commission before 25 February 1990 so that it can sum up and present a final report to the party Central Committee Secretariat.

Slogans:
1. Warmly welcome the 60th anniversary of the founding of the ICP!
2. May the bonds of solidarity among the parties, states, and peoples of Cambodia, Vietnam, and Laos last forever!
3. President Ho Chi Minh, the founder of the ICP, will always live in our revolutionary cause!
4. Everything for the cause of the battlefield, for the cause of the motherland and the happiness of the people!

National Assembly Standing Committee Meets

BK2301122090 Phnom Penh Domestic Service in Cambodian 1100 GMT 23 Jan 90

[Text] Here is a communique on the meeting of the National Assembly's Standing Committee:

The Cabinet of the National Assembly of the State of Cambodia would like to publicly announce that the Standing Committee of the National Assembly of the State of Cambodia held a meeting in the presence of Comrade Chea Sim, Political Bureau member of the party Central Committee and chairman of the National Assembly and of the Kampuchean United Front for National Construction and Defense National Council, at the conference hall of the Cabinet of the National Assembly from 22 to 23 January 1990.

The meeting participants examined and discussed a number of issues, such as the report on the activities of the National Assembly; the report on the activities of the Council of State, the People's Supreme Court, and the Prosecutor's Office attached to the People's Supreme Court since the 17th session of the 1st National Assembly; the explanations of the Legislative Commission, Nationalities Commission, Cultural and Social Commission, and Economic, Planning, and Budgetary Commission of the National Assembly to the 18th session; and the report of the Council of Ministers on the situation of the implementation of economic tasks in 1989 and the targets of the state plan for 1990, the financial situation in 1989 and financial targets in 1990, the balance of the 1988 state budget, the situation of political security and social order, the military situation, the situation of the K-5 labor plan, the outcome of the proselytization work among the misled people, and foreign affairs.

The meeting participants also discussed a number of draft laws. The meeting, which proceeded in a cordial and joyous atmosphere of solidarity and unity, was a success.

Communique Issued on Assembly's Next Session

BK2401141890 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Jan 90

[Text] The following is a communique on the 18th session of the First National Assembly:

The State of Cambodia's National Assembly would like to publicly announce that the National Assembly will soon hold its 18th ordinary session, first legislature, at its auditorium. At the meeting, the National Assembly will hear a report on the National Assembly's activities; a report on the activities of the State Council, the People's Supreme Court, and the prosecutor's office attached to the People's Supreme Court since the 17th ordinary session of the First National Assembly; explanations of the National Assembly's Legislative Commission, Cultural and Social Commission, Nationalities Commission, and Economic, Planning, and Budgetary Commission; and a Council of Ministers report on foreign affairs, the political security and social order situation, the military situation, the K-5 plan, and the outcome of the proselytization movement.

Moreover, the National Assembly will discuss and adopt the report, to be presented by the Council of Ministers, on the implementation of the economic tasks in 1989 and the state plan targets for 1990, the report on the financial situation in 1989 and financial targets in 1990, and the balance of the 1988 state budget, as well as the report on a number of important issues.

Men Sam-an Chairs Meeting on Party Building

BK2301065290 Phnom Penh Domestic Service in Cambodian 2300 GMT 22 Jan 90

[Text] On the morning of 22 January at the party central political school, the 10th meeting on organizing and building the party was solemnly held under the chairmanship of Comrade Men Sam-an, member of the Political Bureau of the party Central Committee and chairman of the party Central Committee's Organization Commission. Also present on the occasion were comrade ministers, deputy ministers, and many cadres representing organizational departments from ministries and services and various provinces and cities.

Speaking on this occasion, Comrade Men Sam-an said the 10th meeting on party building and organization is being held at a time when Cambodia's own forces are increasing their capability to fully assume the task of building and defending the motherland. In combination

with our forces in every field, this has become a firm basis for establishing the identity of the new social regime. Comrade Men Sam-an also called on members of the audience to strive to do their best in their roles of being responsible for the destiny of the motherland and people by researching, understanding, and debating views in order to timely respond to the motherland's urgent requests in the new phase and to speed up the development and progress of the socioeconomic base.

Bou Thang Chairs Invalids Meeting 22 Jan

BK2301080190 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jan 90

[Text] The Ministry of Social Affairs and Invalids held on the morning of 22 January a working meeting to reevaluate its works in 1989 under the chairmanship of Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces.

Present at the meeting were 21 delegates from provincial and municipal social affairs and invalid services and representatives of all the offices and vocational centers of the ministry. The meeting was organized to review and report good experiences that a number of offices have achieved last year.

In his opening speech, Comrade Koy Buntha, member of the party Central Committee and minister of Social Affairs and Invalids, praised some provincial and municipal services for their efforts to overcome difficulties and obstacles and to implement the social affairs and invalids works successfully. He pointed out that the social affairs and invalids works, as well as the policy toward the rearguard battlefield, are the tasks of vital importance for boosting the moral of our cadres and combatants fighting enemies on the front line. The effective implementation of the works is a proper response to the great exploits that our disabled combatants have achieved with their blood, flesh, and lives in the interests of the nation and motherland.

He also urged the audience to use their physical and intelligent strengths and experiences in discussion in order to make the meeting a success.

Chea Soth Chairs State Planning Meeting 23 Jan

BK2401074490 Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Jan 90

[Text] On the morning of 23 January at the Tuol Kouk planning school, the Ministry of Planning held a meeting to review 1989 state planning works under the chairmanship of Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

According to the report read by Comrade Chea Chanto, alternate member of the party Central Committee and minister of planning, the results achieved in the performance of socioeconomic tasks in 1989 have certainly paved the way for the formulation and successful implementation of the 1990 plan. The report also pointed out remarkable achievements scored in the four economic spearheads as well.

In industrial and handicraft fields, the value of productivity was over 5,700 million riel; the energy and light industries, which are under direct central control, recorded an output 13 per cent over the planned target; the restoration of national routes and bridges in the communications field was successfully carried out as planned; although transportation of state goods was not fully achieved, it effectively served the need of the national defense; trade activities fairly developed as we have considerably liberalized enterprises; and works in the educational, health, information, cultural, and social fields were experiencing significant expansion.

Following Comrade Chea Chanto's report, Comrade Chea Soth presented the 1990 state plan for implementation by the provincial and municipal services throughout the country. He urged the audience to pay great attention to the discussions and also urged that each department of the ministry, as well as all services concerned, give clear advice to the meeting on the new plan of action for 1990.

Plans To Export Rice, Improve Economy Noted

BK2201012390 Bangkok THE NATION in English 22 Jan 90 p 5

[By Kawi Chongkitthawon]

[Text] Cambodia plans to take a major step towards economic recovery by exporting rice at a competitive world market price by 1991, after a shortfall in rice production in 1989 due to late-arriving rainfall.

"We have enough rice to feed ourself, but not for export this year," Deputy Minister of Agriculture Chhea Song said recently.

Becoming a net exporter of rice has been the main pillar of Cambodia's policy of revitalizing its agricultural products, which include rubber and maize.

This year marked the first time that Cambodia expected to export rice, but the late rainfalls eventually dampened the government's earlier hopes of a surplus.

Government officials even expressed concern that Cambodia could face rice shortages again after an estimate by the Ministry of Agriculture that 1989 rice production would reach only 2.2 million tons, roughly the same level as 1988.

Despite the problems, Chhea Phon [as published] said Cambodian farmers, who make up 70 percent of Cambodia's population of 8 million, have been very active in farming this year due to new government policy of encouraging individual enterprise.

The collective system, in place since the liberation of Cambodia from the Khmer Rouge reign, was dismantled last year to allow for individual farming.

The rice distribution system has also improved, which helped alleviate rice shortages in certain areas such as in Kandal and Kompong Cham. These two provinces have opted for growing cash crops rather than rice.

Other incentives such as a slow process of land reform have contributed to self-sufficiency in rice. Last year, the Ministry of Agriculture set up a reclamation department to facilitate land allocations.

In the past, all land and production of the most basic agricultural commodities belonged to the state.

With limited outside assistance, Cambodia is working hard to train its farmers in modern agricultural techniques. Chhea Phon said after Cambodia was liberated from the reign of the Khmer Rouge, there were only 200 men with high-level training in agriculture. There were 3,000 before 1975.

All agricultural structure in the country was completely wrecked at that time, he said. For example, an agricultural university was turned into a military training camp while provincial agricultural schools were demolished.

Since 1980, over 1,400 Cambodians have received agricultural training from Phnom Penh's school of agriculture and from abroad. At the forefront of the programme, forty experts were sent abroad to study rice seeding this year.

"About 10-15 students go to the Philippines every year to study rice seeding," the minister added.

Along with the training programme, various agricultural research centres, spreading around the country have been restored with help from socialist countries and aid agencies. The Soviet Union is the main supporter in reviving Tuol Samraong's rice seeding research centres near Tonle Sap lake and in Chamka Leu.

Despite the on-going fighting between government forces and the resistance groups, the Cambodian government continues to give assistance to farmers in outlying areas with the sole objective of increasing production output.

The need is crucial, as Cambodia plans to export its surplus in exchange for agricultural tools and hard currency.

"We do not have enough tractors or other basic machinery," said Chhea Phon.

Not so long ago, all of the 2,000 tractors in Cambodia given by socialist countries were in the hands of the government. Nearly half were lying idle due to a lack of proper maintenance and spare parts. At the end of last year, the government began to sell its tractors.

Within a few months, half of the tractors were sold at a cheap price to farmers, who were able to find their own ways to make them work. Normally, Cambodian farmers use wooden ploughs with help from farm animals.

The sale had some odd effects. "Some farmers bought the tractors without knowing how to drive them," Chhea Phon said.

Cambodia has at least 4 million hectares of cultivatable land but only 3 million hectares are being used, the deputy minister said. An aid official estimated the amount of cultivated land as a mere 2 million hectares.

Besides rice, the government is also putting priority on improving fishing and fisheries output in the hope of turning it into another foreign currency earner.

The minister said several countries, including France and Thailand, have proposed setting up cold storage facilities for marine products in various parts of the country. Currently, most of Cambodia's marine products are exported to neighbouring Thailand.

75 Rebels Said Knocked Out in Bos Sbov 10 Jan

BK2401120590 Phnom Penh SPK in English 1059 GMT 24 Jan 90

[Text] Phnom Penh SPK January 24—On January 10, a unit of the regular Armed Forces in Banteay Meanchey Province (340 km east of Phnom Penh) in coordination with provincial units of Siem Reap and Battambang put out of action 75 enemy troops during a fight in Bos Sbov.

The Cambodian Armed Forces also seized a quantity of war means after a 10-hour engagement.

Life Viewed in Sre Noy Commune, Varin District

BK2401062590 Phnom Penh SPK in English 0428 GMT 24 Jan 90

["Normal Life in Northwestern Province's Rural Area, by an SPK correspondent"—SPK headline]

[Text] Phnom Penh SPK January 24—Hundreds of local people with placards, streamers and miniature flags in hands, took to the road leading to Sre Noy commune of Varin District in the northwestern border province of Siem Reap-Oddar Meanchey to meet our delegation when we were arriving at the commune.

We visited Sre Noy in mid-January just after the enemy had made noisy claims about its "seizure of the commune". Our delegation included high-ranking officials of Siem Reap-Oddar Meanchey Province who brought along a quantity of goods as gifts for families of fallen and wounded combatants as well as local inhabitants.

Sre Noy lies at a junction of Highway 67 linking Siem Reap, a market town near Angkor Wat, with the northern province of Preah Vihear which the enemy is seeking to use as a springboard for attacks on Angkor Wat.

We came to Sre Noy commune after a smooth drive of about 50 km from Angkor Wat in the northwest. One cadre from the province's educational service said he could not find any signs of the enemy's recent attacks and capture of the locality.

At a meeting in honour of our delegates, we heard a report delivered by Ly Hok Seng, member of the district people's committee in charge of security, about the commune's all-round achievements, especially in the self-defence work.

Said he: Last December, our militia force and the district army units attacked and destroyed two enemy hideouts in the jungles called "Chup Som" and "Chup Tasek". The combatants wiped out 24 enemy troops, captured 3 others and seized 12 assorted guns and a quantity of ammunition".

"However", he continued, "the enemy doesn't give up its attempts to attack the locality. On the New Year day, the bandits opened large-scale assault upon our positions. Meeting with firm resistance, they were clobbered black and blue: 33 enemy troops were killed, 28 others wounded and 10 fire-arms seized".

Referring to the party's and state's clemency policy, Ly Hok Seng said: "Last year, the commune received 200 misled people, most of them Moulinakans (Sihanoukists). Those people have been granted full rights of citizenship and assisted to rejoin their families".

In the evening, after a dinner with some local people, we talked about life in Sre Noy. Vuthy, a native villager, made comparison between the life at present and in the former regime, especially under Sihanouk. He said: "Due to many years of war, our living standard now is hardly better than that in the Sihanouk time. However, today we have been allotted plots of land by the state for crops cultivation and we are fully entitled to embark on business operations. For years we have saved a good sum of money for building our house as well as for purchasing furniture, farm tools, and other commodities".

"The only thing different from the past is that now we are living in a mixed state of peace and war", Vuthy remarked, adding that the villagers have always been vigilant against the enemy's sabotage activities and stand ready to fight against the recurrence of the genocidal regime.

Next morning, accompanied by local cadres, we went sight-seeing around the commune. We saw many people riding bicycles, motor-cycles and the motor-dragged carts loaded with vegetables, grains and other farm products going to the market of Siem Reap town. Life here seemed as normal as in other localities, I said to myself.

Traditional houses on stilts stand along the highway amongst green fruit trees. Store houses capable of keeping from three to six tons of paddy are seen in the front yard. Sim Yeam, chief of Sre Noy people's committee, told us that those stores were packed to the full as the peasants had got a bonanza harvest. Our per-hectare yield is averaging from four to five tons this year", he said.

We stopped at the primary school "Sre Noy". It is one of the three primary schools in the commune. Staffed by 15 teachers, these institutions enroll 700 pupils in this academic year. Sun Ley chief of the commune's educational service, briefed us on the educational development in the locality. He recalled the bad old days in the former regimes when the commune had only a three-room primary school for children of the rich only.

We left Sre Noy in the afternoon after presenting gifts to families of fallen and wounded soldiers and local people. We shared the view that, like other localities, people in Sre Noy are worthy of enjoying peace to rehabilitate their locality free from the danger of genocide.

Past Week's Military Activities Reviewed

BK2401051690 Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Jan 90

[Text] According to reports from frontline battlefields, in the past week, the three types of our people's Armed Forces in frontline provinces launched operations to search and destroy remnant bandits, ambush the enemies, and thwart their attempts to infiltrate into our areas.

On 15 and 17 January, the armed forces in Banteay Meanchey Province produced a new feat in their campaign against the enemies northwest of Phnum Srok and north of Poipet, killing six enemy soldiers on the spot and wounding two others. We also seized three weapons and a quantity of other war materiel.

In Battambang Province, our forces ambushed the enemies near Stoeng Puok in Ek Phnum District, killing two and wounding two enemy soldiers and seizing a lot of war materiel. The Armed Forces stationed in Treng also killed one bandit and wounded two others; a number of others panicked and shamefully retreated.

In Siem Reap-Oddar Meanchey Province, on 19 January, the province's combined forces cooperated with units of the frontline forces and launched operations to search and destroy the enemies beyond Svay Sar Commune and Prasat in Varin District. The result is that our forces killed 11 Pol Pot soldiers, wounded 7, and took 3 prisoners. Along with this, our forces also seized a lot of weapons and war materiel.

The recent victories of our armed forces is evidence reflecting the advantageous and strong position of our forces. More importantly, the efficiency in fighting the enemies has been continuously increased causing serious setbacks to the three types of enemies who will not be able to fulfill their insane dream.

More on Khmer Rouge Activities at Phnum Malai

BK2001023590 Bangkok BANGKOK POST in English 20 Jan 90 p 6

[Text] Aranyaprathet—Khmer Rouge guerrillas have started road construction and removing landmines in their former stronghold at Phnum Malai, which they intend turning into a small township with a temporary government office.

Heavy equipment for road construction, including bulldozers seized from Heng Samrin forces, were deployed to clear land for a road running parallel to Highway 502, to Mak Hoen, Orahong, Nam Sap and Sap Tari.

A Khmer Rouge officer speaking near the mountainous stronghold of Phnum Malai, said the guerrillas opted to build a new road because Highway 502 was heavily mined by Phnom Penh troops before they retreated.

Phnum Malai, which was retaken by the Khmer Rouge from Phnom Penh forces in November, was so heavily rigged with anti-tank and anti-personnel mines that land clearance was difficult and hazardous, he said.

More than 16 guerrillas were killed or wounded in the last two weeks while attempting to remove mines, he said.

The office said a meeting of Khmer Rouge military officers and economic planners on Thursday agreed to set up a temporary office of Democratic Kampuchea in Phnum Malai.

About 2,000 refugees under Khmer Rouge control in Khao Din, Site 8 and Khao Benkachorn would be moved to Phnum Malai for resettlement once mines were cleared and agriculture introduced to give settlers a livelihood, he said.

Pursat-Battambang Railway Line Said 'Cut Off'

BK2201023090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jan 90

["Report on attack to cut off Route 5 and the railway line on south Battambang town battlefield"]

[Text] 1. On the night of 16 January, our national resistance forces attacked and smashed the network of commune positions of the Vietnamese enemy at Prey Toch commune, and completely dismantled the Vietnamese state authorities in Prey Toch and Don Klong villages on south Battambang town battlefield along Route 5. We killed or wounded a number of enemy soldiers and destroyed two military structures.

At the same time, our national resistance forces cut off an 8-meter section of Route 5 at Prey Toch Village, thus cutting off Route 5 south of Battambang town. This has further affected the transport activities of the Vietnamese enemy to supply Battambang and the battlefield in western Cambodia.

2. On the night of 12 January, our national resistance forces cut off the railway line between Kouk Trom and Taphde with 3 pits— each pit measuring 2 meters deep and 4 meters in diameter—disabling a 45-meter stretch of the line.

The following night, 13 January, we cut off a 5-meter section of the railway line between Taphde and Reang Kesei. The attacks to cut of the railway line on these two nights, along with previous attacks to cut off roads, bridges, and railway lines in many areas, have completely cut off the Pursat-Battambang railway line which is now further segmented. The Vietnamese enemy and puppets have no way of repairing and using this line again. To this day, the Pursat-Battambang railway line has remained completely cut off for over 2 months. The Vietnamese enemy and puppets have not been able to use this line.

Bridges on Route 6 in Kompong Thom Said Cut

BK2401004690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jan 90

[Text] On 18 January, our national resistance forces attacked and destroyed two company positions of the Vietnamese enemy and puppets defending bridges and Route 6 in Tbong Krapeu Commune, on Kompong Thom battlefield, killing or wounding a number of Vietnamese enemy soldiers and puppets, and seizing a quantity of ammunition and other war materiel.

On the same day, our national resistance forces also attacked and completely cut Prasat and Pou Khav bridges on National Route 6 in Tbong Krapeu Commune, Santuk District, Kompong Thom Province.

It should be noted that Prasat bridge is an iron bridge 30 meters long and Pou Khav bridge is a concrete bridge also 30 meters long. The attack to cut these two bridges has further hindered the transport activities along National Route 6 of the Vietnamese enemy between Phnom Penh and Kompong Thom and to Siem Reap.

Along with previous, successive attacks to cut many large and small bridges, drainage pipes, and National Route 6 in Kompong Svay and Stoung Districts, the cutting of these two bridges has further hindered and choked the transport activities of the Vietnamese enemy between Phnom Penh and Siem Reap for almost 3 months now.

Khmer Rouge Move 'Thousands' to Unknown Place

BK2401102090 Hong Kong AFP in English 1009 GMT 24 Jan 90

[Excerpt] Bangkok, Jan 24 (AFP)—Khmer Rouge guerrillas have blocked thousands of refugees from going with United Nations officials on the Thai-Cambodian border and taken them instead to an "unknown destination," a senior U.N. official said Wednesday.

Virtually the entire 4,400 population of Borai camp in eastern Thailand "have been ordered to move from Borai to an unknown destination," said Patrick Van de Velde, deputy director of the United Nations Border Relief Operation (UNBRO).

A refugee official who asked not to be named said the refugees had been taken across the border, some five kms (three miles) from Borai, into Cambodia, where they are inaccessible to Western aid or supervision.

The official said only about 200 people were left in Borai.

Mr. Van de Velde said UNBRO trucks have since Monday been standing by to take the people from Borai, which is in a war zone, to a safer site but "UNBRO has evidence that the Khmer leadership controlling Borai instructed their people not to board the trucks." [passage omitted]

Situation in Southwest Battambang Reported

BK2201003890 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 21 Jan 90

["Special report from Treng-Route 10 battlefield"]

[Text] 1. From 4 to 11 January, our national resistance forces launched repeated attacks with infantry troops and artillery against the Vietnamese enemy and puppets at positions defending Treng. We killed 69 Vietnamese enemy and puppets on the spot and wounded 44 others; another 41 were taken prisoners. We destroyed three ammunition and explosive depots, two 122-mm artillery pieces, two 76.2 guns, and a great quantity of other weapons and materiel. We seized 42 assorted weapons, including 2 DK-82 guns, 6 light machine guns, 8 B-40's and B-41's, and 26 AK's. We liberated nine positions of the Vietnamese enemy and puppets at Cheav village, Thnal Kaeng, Chi Pang, Tumnop Toek Sap, Spean, Chea Montrei village, Tuol Village, and Choeng Phnum.

2. On 7 and 8 January, a battalion of Vietnamese troops left O Andong for Tuol village to the west on Route 10 battlefield; they were ambushed along the way by our forces. We killed 24 Vietnamese enemy soldiers, including a battalion commander, on the spot and wounded 28 others. We seized two antitank missiles, two B-40's, and nine AK's.

In sum, we killed or wounded 165 Vietnamese enemy soldiers and puppets.

VODK Reaffirms Conditions for Elections

BK2301034590 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 22 Jan 90

[Station commentary: "The Hanoi Vietnamese enemy aggressors are making noise about elections in their propaganda in order to divert the Cambodian problem from its main point, namely the withdrawal of all Vietnamese aggressor troops from Cambodia under UN control"]

[Text] In the last few days, the Hanoi Vietnamese enemy aggressors and their puppets and lackeys in Phnom Penh have been babbling incessantly about solving the Cambodian problem. They said the setting up of a four-party government, or any other issue, is not important and that these are not the basic concerns; the major issue is that of elections in Cambodia. Furthermore, the Hanoi Vietnamese enemy did not say a word about withdrawing all Vietnamese troops from Cambodia under UN supervision.

This is a maneuver by the Hanoi Vietnamese enemy aimed at, on the one hand, avoiding the acceptance of genuine national reconciliation—namely the establishment of an equal four-party government—and persisting in the demand to maintain the regime Vietnam has propped up in Phnom Penh; and on the other, to divert the Cambodian issue from the withdrawal of all Vietnamese troops and aggressor forces from Cambodia under UN supervision. This is an attempt to dupe people into believing that the issue concerning the withdrawal of Vietnamese troops has been resolved and that elections should be organized in Cambodia. Why do the Hanoi Vietnamese enemy aggressors keep insisting on holding elections without the establishment of a four-party provisional government?

There is nothing mysterious about this. This kind of election will be held under the puppet regime propped up by Vietnam and in a situation in which over 100,000 Vietnamese aggressor troops are still on Cambodian soil, disguised as puppet soldiers and puppet militiamen and hiding in Cambodian jungles. Vietnamese administrative staff are throughout the puppet administration, from the top down to village and commune levels. Over a million Vietnamese settlers are still everywhere in Cambodia. In this kind of situation, it is Vietnam which decides and organizes the elections. Vietnamese nationals, who have already been granted Cambodian nationality, will be the ones who will vote while the Cambodian people, in general, certainly will not enjoy their right to freely vote. Then, even if the United Nations is present, it cannot supervise anything. The winner in this kind of election would be none other than the puppets, Vietnam's lackeys and instruments of Vietnam's aggression in Cambodia. This means that Vietnam will continue its long-term occupation of Cambodia under the puppet label. Thus, Vietnam would have achieved what it has failed to do through military means in the past more than 11 years. This is what the Hanoi Vietnamese want to achieve.

However, the world cannot accept this kind of maneuver; the Cambodian people too cannot accept it. Everyone wants a genuinely free, just, and democratic election in which all Cambodians of every political

tendency can take part without any pressure. In order to achieve this, it is necessary to have the following conditions:

1. The genuine withdrawal of all Vietnamese troops and aggressor forces from Cambodia under effective UN supervision with the cooperation of the four Cambodian parties.
2. The dissolution of the puppet regime Vietnam has illegally propped up in Phnom Penh along with that of the legitimate State of Democratic Kampuchea and the establishment of an equal four-party provisional government headed by Samdech Norodom Sihanouk in order to organize elections in Cambodia.
3. The dispatch of sufficient numbers of UN international peacekeeping troops to Cambodia to ensure that elections in Cambodia be genuinely free, just, and democratic.

Without these conditions, free, just, and democratic elections cannot be ensured.

VODK Views 'Soviet Move' in Southeast Asia

BK2301033790 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 22 Jan 90

[Unattributed commentary: "Does the Soviet move in Southeast Asia and the Asia-Pacific region mean a retreat or a further push ahead"]

[Text] The Soviet Union recently announced that it has withdrawn a number of war planes from Cam Ranh Bay in Vietnam and that it hopes that this would reduce tension in the Asia-Pacific region. Military strategists say that access to the Cam Ranh base by Soviet planes and warships is not a major issue; the main point is that the Soviet Union has a permanent military base there where it can reduce or increase the number of aircraft, warships, and military forces at will when the need arises. The movement of a number of Soviet war planes at Cam Ranh is not a sign signaling that the Soviet Union is abandoning its strategy in Southeast Asia, and the Asia-Pacific region.

To determine whether the Soviet Union has abandoned its strategy in Southeast Asia and the Asia-Pacific region or not, Soviet policies on the Cambodian issue should be considered. Has the Soviet Union changed anything? No, particularly during a recent trip to Phnom Penh when Soviet Deputy Foreign Minister Rogachev set up a Soviet consular office at Cambodia's Kompong Som port. This is aimed at changing Kompong Som port into a Soviet strategic naval base in Southeast Asia in addition to the Cam Ranh base in Vietnam, on the one hand, and on the other, at providing more effective transport of Soviet weapons and ammunition to Vietnamese aggressor troops and puppets. Thus, the Soviet move in Southeast Asia and the Asia-Pacific region is not a retreat; on the contrary, this is another push forward.

Laos

UN Security Council Meeting on Cambodia Viewed

BK2401041590 Vientiane Domestic Service in Lao 1200 GMT 23 Jan 90

[Station article: "Positive Trend for Political Settlement of Cambodian Problem"]

[Text] Respected listeners, the Cambodian problem has been considered a crucial problem in Southeast Asia in the past decade. The process of settling this problem through political means has taken a considerably long time. It has been continually carried out and a gradual development has been realized. This is a result of efforts by the government of the State of Cambodia, various countries concerned, and the international community. On 15 and 16 January the UN Security Council held a meeting in Paris, the French Republic, to discuss a new proposal from Australia on an effective, political measure to resolve the Cambodian problem.

It is apparent that in the previous year, the past differences in views on the Cambodian issue among parties concerned have been reasonably reconciled in many respects. This is because facts about the true situation in the State of Cambodia have been proven. Earlier, a number of countries firmly adhered to their resolute stand of support for the Khmer Rouge. However, when they began to understand the true, brutal nature of the Pol Pot clique of murderers and to see that the survival of the clique outside Cambodian territory has been deteriorating daily and that it can come to an end at any time, many countries changed their policy on the Cambodian issue by removing themselves from the Cambodian reactionaries step by step. BBC radio has commented that Western superpower countries no longer insist on having Prince Sihanouk, leader of the opposition Cambodian coalition government, as leader of the Cambodian Government to be established. The United States itself has also clearly reiterated that it is now necessary to isolate the Khmer Rouge, and not the Phnom Penh government. Following this, various countries, who in the past supported the Cambodian reactionaries, have lost confidence in them.

The noteworthy point in the settlement of the Cambodian issue at present is that the French Government, which has in the past recognized and supported the Khmer Rouge, has begun to change its policy on Cambodia. At the UN Security Council meeting, Roland Dumas, French foreign affairs minister, presented his statement reiterating that it is now necessary for everyone to do all he can to prevent the Khmer Rouge from returning to power in Cambodia. Quoting remarks by President Francois Mitterrand, Roland Dumas noted that France has not agreed to the return to power in Cambodia by the Pol Pot clique. The French president has urged that the Cambodian people be allowed to determine their own future through free general elections under the supervision of the international community. Representatives of all five members of the UN Security

Council have supported this idea. This indicates that the UN Security Council has changed its policy toward the Phnom Penh government. All these have shown that the UN Security Council, France, and other countries involved in the Cambodian issue have maintained the same view as that of the government of the State of Cambodia on means to achieve positive progress in a political settlement to the Cambodian problem which has lasted more than 10 years.

This change in views and policy of France and many other countries concerned serves as a new warning for certain countries, which have unreasonably supported the Cambodian reactionaries for many years, to maintain a new awareness and to review their past determination. This will bring about a condition for more meetings and talks to lead to another international conference on Cambodia in Paris. It also serves as a new response to the hope, desire, and aspiration of the Cambodian people as well as of various nations which want to see peace and stability in the well-known land of Angkor Wat.

Thai Aid to Vietnamese 'Reactionaries' Viewed

BK2401122590 Vientiane Domestic Service in Lao 0000 GMT 23 Jan 90

[PASASON feature: "Forest Fire Forces Rodents Out of Hiding Holes"—date not given]

[Text] During the trial by the People's Supreme Court on 11 January, the 38 armed Vietnamese exiled reactionaries truthfully confessed that their strongholds are still inside Thai territory. The first one is located at (Phu Mak Dua), approximately 12 km from (Tham Khan Noi-Tham Khan Gnai) village in Trakan Phutphon District of Ubon Ratchathani Province. In Vietnamese they call this stronghold Van Kiet. They later moved to another stronghold at (Phu Kho Phuphan) mountain in Si Muang Mai District of the same province. They said they had received military and political training at these two camps. Their leader, Tran Quang Do, confessed that Thai military officers directly supervised and commanded every activity of their strongholds. Two of the Thai military officers named (Narong) and (Khan), under the command of a Thai colonel, were in charge of the two strongholds. This colonel often came to the strongholds and followed up on the training programs. On 21 August 1989, he handed weapons and supplies to the the exiled Vietnamese reactionaries one by one and told them to keep everything secret and get rid of any evidence that indicated their departure from Thailand so as to avoid international criticism. Those leading members of the reactionary group were each given an additional sum of 5,000 baht and 500 salung weight of gold [4 salung is equivalent to 14.7 grams].

The testimonies given by Tran Quang Do and his colleagues have nakedly unmasked the bad elements among the rank and file of Thai officials, who provided shelter, military training, weapons and war equipment. They fed them and sent them into Lao territory. These acts impair the relations of friendship and fraternal neighborliness; counter the spirit and contents of the joint communiques signed between the Governments of the Lao People's Democratic Republic and the Kingdom of Thailand in 1979 and 1988; and oppose His Excellency Thai Prime Minister Chatchai Chunhawan's desire to change Indochina from a battlefield into a marketplace and is contrary to the trend of peace, stability, and mutual cooperation in this region and the world over. They have turned Thai territory into the springboard for maneuvers to seize territories of the three Indochinese countries. The incident has exposed the hypocritical nature of the bad elements in Thailand. As a Lao proverb says: Forest fires force rodents out of hiding holes.

Defense Minister Receives Greetings From Vietnam

BK2301121990 Vientiane KPL in English 0859 GMT 23 Jan 90

[Text] Vientiane, Jan 23 (KPL)—General Khamtai Siphandon, Politburo member of the Lao People's Revolutionary Party Central Committee, minister of national defence, recently received a message of greetings from General Le Duc Anh, minister of Vietnamese national defence, sent on the occasion of the 41st founding anniversary of the Lao People's Army (Jan. 20, 1990).

The message acclaimed the 41-year victoriously fighting performance by the Lao People's Army, thus routing out the enemy's schemes of aggression and firmly safeguarding the revolutionary gains. It pointed out that over decades the peoples and armies of the two countries have increasingly promoted and enriched their fraternal relations and solidarity.

The message expressed profound gratitude to the Lao party, Government, people, and Army for their constant support for the revolutionary cause of the Vietnamese people. It wished the Lao people and Army greater success in the implementation of the 4th party congress' resolution, and also wished the special solidarity and all-round cooperation between the peoples and armies of the two countries further developed.

Soviet Peace Committee Delegates Continue Visit

Meet With Counterpart Committee

BK2401051590 Vientiane Domestic Service in Lao 1200 GMT 23 Jan 90

[Text] Yesterday afternoon a roundtable meeting was held at the office of the Lao Committee for World Peace and for Solidarity and Friendship With Various Nations to study and exchange lessons on the perestroyka movement in the Soviet Union and the implementation of the policy of broadening relations with foreign countries by the Lao People's Democratic Republic [LPDR]. The

meeting was attended by nearly 20 delegates from various ministries and a number of central mass organizations along with a delegation of the Soviet Peace Committee led by Petrovitch Masline, vice chairman of the committee currently on a visit to the LPDR.

At the meeting, the participants extensively discussed and exchanged views, in an open and straightforward manner, on lessons and actual practices in implementing the movement and the policy raised for discussion with a view to further strengthening mutual understanding.

Briefed by Economy Minister

BK2401115590 Vientiane KPL in English 0941 GMT 24 Jan 90

[Text] Vientiane, Jan 24 (KPL)—Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning and finance, received here on Jan. 23 a delegation of the Soviet-Laos Friendship Association led by Masline, vice president of the Soviet Peace Committee, first vice president of the Soviet Peace Fund and president of the Soviet-Laos Friendship Association.

On this occasion Vice Chairman Sali Vongkhamsao briefed his guests on the economic restructuring in Laos and pointed to the aims of the introduction of business operations while enlarging economic relations with foreign countries.

Hold News Conference

BK2401113590 Vientiane KPL in English 0943 GMT 24 Jan 90

[Text] Vientiane, Jan 24 (KPL)—A press conference on the result of the visit to Laos by a delegation of the Soviet Committee for Peace Protection headed by its Vice President Petrovitch Masline, was organized here on Jan. 23.

Mr Masline spoke of the result of the one-week long visit to Laos by the delegation and answered questions pertaining to the achievements and difficulties in executing perestroyka in the Soviet Union, the Soviet Union's role in international arena, and the stance of the Soviet leadership towards the situation in Eastern Europe and other regions.

Earlier, the Soviet-Laos and Laos-Soviet Friendship Associations on Jan. 23 reached a protocol for the cooperation in the period of 1990-91.

On Jan. 22 afternoon, a round-table meeting on perestroyka process under way in the Soviet Union, and the policy of enlarging foreign economic relations in Laos was also held here.

Phoumi Vongvichit Greets Bulgarian Front Leader

BK2401113990 Vientiane KPL in English 0939 GMT 24 Jan 90

[Text] Vientiane, Jan 24 (KPL)—Phoumi Vongvichit, president of the Central Lao Front for National Construction, recently sent a message of congratulations to Zhivko Zhivkov, the newly elected chairman of the National Council of the Bulgarian Fatherland Front.

The message said, "I believe that being entrusted by the Bulgarian party and people electing you as chairman of the National Council of the Bulgarian Fatherland Front, you would be able to unite all forces in the country in the interest of the national development and prosperity and of world peace.

"We greatly hope the fraternal relation of friendship between the Lao Front for National Construction and the Bulgarian Fatherland Front would be further developed, and wish you new success in your noble duty."

Philippines

Aquino Rejects Snap Presidential Elections

HK2001084790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Jan 90

[Text] President Corazon Aquino has rejected proposals for snap presidential elections, saying that all those who want to run for president should just wait for 1992. More details from Dick Sinchongco of Mobile Unit 6:

[Begin recording] President Aquino stressed that there was no need to hold snap presidential elections. She also advised presidential hopefuls to wait for May 1992. The president said that former dictator Ferdinand Marcos was the only person who called snap elections, because he believed himself to be the law and thought he could do as he pleased. The president explained that with democracy prevailing in the country, the Constitution clearly stipulated that the next elections will take place in May 1992.

This was the president's reaction to reports in THE WASHINGTON POST and LOS ANGELES TIMES, which alleged that Robert Gates, U.S. deputy national security adviser, is in the Philippines to convey a message from President George Bush urging President Aquino to call snap elections. Gates' visit was compared to that of Philip Habib, who came in 1986, a few months after former President Ferdinand Marcos called snap elections. [end recording]

Column Views Proposal

HK2201042790 Manila PHILIPPINES NEWSDAY in English 22 Jan 90 p 10

["Turn of Events" column by Francisco S. Tatad: "Why a 'Snap' Election?"]

[Text] President Aquino, US Deputy National Security Adviser Robert Gates and Arizona Congressman Jim Kolbe, two recent Manila visitors, are one in saying there is no US pressure on the President to call a snap election before 1992. Malacanang insiders however say there is, except that the President will not hear of it. Neither will she agree to give up her powers to Defense Secretary Fidel Ramos, whom some US proponents would like to see rule while she reigns.

"It is very clear in our Constitution that elections will be held in May 1992," says the President. "So to those who want to become president, I can only say to them, wait until 1992. Run for office and if you are chosen by the people, then you may become president... Marcos thought of a snap election (in 1986) because he thought he was the law, that he could change the law anytime. We have a Constitution and we should follow it."

It is very encouraging to see Mrs. Aquino trying to keep faith with the Constitution. But a snap election is nothing unconstitutional. The growing perception here and abroad is that the government has failed to govern, and that it cannot be expected to do anything more than prepare for the next coup and try to survive it. Its biggest achievement is that it has now survived six coup attempts, but in the last attempt it needed the obvert military intervention of the U.S. Air Force to crush the putsch. Because of that it is now seen as a creature of the United States rather than as the guarantor of Philippine sovereignty. It is for this reason a snap election is being talked about.

Contrary to the President's impression, a snap election is not an unconstitutional or extra constitutional process. The Constitution provides for it. When Marcos called a snap election in 1986, it was not in the exercise of his dictatorial powers but rather in obedience to international opinion and pressure from the U.S. His term was not due to end until 1987, and he did not have to quit. But because of the crisis that had developed, following the 1983 assassination of Benigno Aquino Jr. and the well-orchestrated political demonstrations against his regime, his government had ceased to govern, and the situation was getting from bad to worse.

What the President refers to as the constitutional provision setting the next regular presidential election in 1992 is the constitutional rider which provides: "The six-year term of the incumbent President and Vice President elected in the February 7, 1986 election is, for purposes of synchronization of elections, hereby extended to noon of June 30, 1992."

Because Mrs. Aquino occupies the presidency, this provision has been liberally interpreted to apply to her. But strictly construed, it does not. For neither President Aquino nor Vice President Laurel was elected in 1986. The first authoritative statement to that effect came from then Chairman Ramon Felipe Jr. of the Commission on Elections, who was pro-Aquino rather than pro-Marcos. The second, which was even more authoritative, came from Laurel who said there was no official proof showing that Mrs. Aquino and he had been elected, although as a candidate he believed he was. The only existing document, assuming it has not been destroyed, shows it was Ferdinand Marcos and Arturo Tolentino who were elected and proclaimed President and Vice President respectively in 1986.

To refresh the memory of those who have rewritten or forgotten our recent history, Marcos was proclaimed victor, but Mrs. Aquino protested. She announced a boycott of the products of so-called crony corporations, while defying suggestions that she lead a campaign of civil disobedience. The Catholic Bishops Conference of the Philippines, having been deeply involved in election-watching under the auspices of the foreign-supported Namfrel [National Citizens' Movement for Free Election], denounced the Batasan [National Assembly] proclamation and questioned Marcos's moral right to continue in office. A military coup followed, led by Defense Secretary Juan Ponce Enrile and AFP [Armed Forces of the Philippines] Vice Chief of Staff Fidel Ramos and supported by unarmed civilians in the street. Aquino was sworn in by the coup-makers on the same day Marcos took his oath as the duly elected President. Washington intervened, and flew Marcos out of Malacanang to United States.

With Marcos dead and Mrs. Aquino in power, it is now completely academic to point out that it was Marcos rather than Mrs. Aquino who was duly elected President on February 7, 1986. The Supreme Court will most certainly interpret it in favor of Mrs. Aquino. But although the provision says the next regular presidential election will be in 1992, there is no legal prohibition against an earlier election. The President and the Vice President and the Vice President may simultaneously step down to pave the way for an earlier election. In fact it is specifically envisioned in the Constitution.

Article VII, Section 10 provides: "The Congress shall, at ten o'clock in the morning of the third day after the vacancy in the offices of the President and Vice President occurs, convene in accordance with its rules without need of a call and within seven days enact a law calling for a special election to elect a President and a Vice President to be held not earlier than forty-five days nor later than sixty days from the time of such call. The bill calling such special election shall be deemed certified under...this Constitution and shall become law upon its approval on third reading by the Congress. Appropriations for the special election shall be charged against any current appropriations and shall be exempt from the requirements of...this Constitution. The convening of the Congress cannot be suspended nor the special election postponed. No special election shall be called if the vacancy occurs within eighteen months before the date of the next presidential election."

On at least two occasions, Laurel has offered to step down, provided Mrs. Aquino joins him, precisely to pave

the way for such election. Ironically, both offers have been met with catcalls. Since the last failed coup, Laurel has been subjected to vicious propaganda, for which he has suffered. A survey conducted by Social Weather Station after the last failed coup showed Laurel, rather than Mrs. Aquino, leading the list of officials whom those interviewed wanted to resign.

It is not quite correct to say that only those who are opposed to Mrs. Aquino or those who are in a hurry to become president are interested in a snap election. While many are aspiring to run for the presidency in1 992, not more than one in the opposition may be prepared to run against Mrs. Aquino or her proxy if a snap election were called today. Were the situation less critical, a snap election proposal would make absolutely no sense. But because the crisis is so deep and so massive, even those who have been supportive of Mrs. Aquino are eagerly looking for a constitutional formula that would render a new, and probably successful, coup d'etat obsolete by proposing to the nation a new elective leadership which both the civilian population and the Armed Forces can support.

De Villa Opposes Sending Soldiers to Cambodia

HK2401102590 Quezon City MALAYA in English 24 Jan 90 p 2

[By Nestor Arellano and Butch Fernandez]

[Text] Gen. Renato S. de Villa, Armed Forces chief of staff, cautioned yesterday the government against a proposal of Foreign Affairs Secretary Raul Manglapus for the country to send Philippine troops to form part of the ASEAN contingent in the peacekeeping force in Cambodia.

De Villa said while the AFP [Armed Forces of the Philippines] is prepared to abide by the decision of the political leadership, he cited problems affecting the country's economy and peace and order situation.

He said sending troops abroad at this time will hinder the AFP's counter-insurgency campaign and efforts to capture leaders of the Dec. 1 coup.

He also said the country cannot afford the costs of sending troops to Cambodia since the economy is still reeling from the effects of the recent coup.

The United Nations maintains and funds the peacekeeping force in Cambodia.

The Philippine Civic Action Group of the AFP was sent to Vietnam at the height of the Vietnam War. Combat troops were also sent to Korea in the 1950s. In the 1960s, Filipino soldiers formed part of the UN peacekeeping force during the civil strife in Congo.

In another development, Sen. Leticia Shahani (LDP) [Struggle of Philippine Democrats] said the withdrawal of Soviet troops from Cam Ranh Bay will reduce tension between the superpowers in the Asia-Pacific region.

But the United States is not likely to reduce its military presence in the region, she predicted.

"The U.S. will not just abandon its position of advantage (in the region). It is normal for them to fight for it," Shahani, chairman of the Senate foreign relations committee, told a press conference.

She, however, expressed the hope that the Americans would reduce their presence in the region in view of the present global trend toward disarmament.

Ahahani called on the Aquino administration to take on a "more affirmative and self-reliant" role as host of the biggest U.S. military bases in Asia.

"We should not allow ourselves to be mere pawns. If we continue to squabble among ourselves (on the bases issue), we will be relegated to the backwaters of geopolitics," she said.

With the departure of Soviet troops, Shahani said Vietnam will not become a "legitimate part" of Southeast Asia.

"It means the Cambodian problem can be solved in a less political manner—and I"m glad the United Nations is stepping into Cambodia—so that Southeast Asia will be free to develop its own self," she said.

De Villa Views Effects of U.S. Aid Cut

HK2401034790 Manila PHILIPPINE DAILY GLOBE in English 24 Jan 90 p 6

[By Noemi Alcala]

[Text] The $40-million cut in the $200-million assistance promised by the U.S. government would "substantially affect the capability of the military in fighting the communist insurgency," Armed Forces chief Gen. Renato de Villa said yesterday.

He also lamented the slow delivery of military items requested by the AFP [Armed Forces of the Philippines] from the United States through the Military Assistance Program (MAP) and the Foreign Military Sales (FMS).

Defense Secretary Fidel V. Ramos, for his part, said the U.S. Congress failed to act on the U.S. government's commitment to convert the $29.4 million in accumulated FMS credit to outright grants last year.

Ramos said the United States failed to deliver major components of the MAP last year, which included 18 units of MD500 helicopter gunships and 34 units of a 77-foot patrol fast craft.

In an interview over radio station DZXL, De Villa claimed that the U.S. military assistance procedure its too rigid and tedious. He said the delivery of items in the MAP and FMS programs takes two to three years.

He also said the government will be forced to buy its armaments and ammunition from other markets given the drastic cut in U.S. military assistance.

Ramos said the military has been buying U.S. military equipment because it is using U.S. assistance and not the country's resources.

Both Ramos and De Villa, however, expressed hope that the United States will honor its commitment by restoring in full the U.S. bases compensation package for this year.

Column Examines U.S. Obligations to Philippines

HK1801091490 Manila PHILIPPINE DAILY GLOBE in English 17 Jan 90 pp 5, 8

["Stand to Reason" column by Francisco Nemenzo: "Swindled Again!"]

[Excerpt] Now it comes straight from the ass's mouth. Secretary Manglapus is complaining that the Americans have reneged on their commitments under the bases agreement he signed with U.S. State Secretary George Shultz in 1988. Ambassador Nicholas Platt explains that his government has to operate within a "very tight budget." And we, a nation in the midst of a severe economic crisis, are expected to take that with equanimity for the sake of Fil-American "friendship."

If the Americans have the nerve to break their word on the eve of negotiations for a new military bases treaty, how can we expect them to be more honorable once their stay is assured for another five to 10 years, as exponents of "gradual phase out" suggest?

Under the Manglapus-Shultz Agreement of 1988 we are supposed to receive a "rental" (the Americans call it "aid") of $481 million a year in the form of military and development aid, commodity assistance and housing investment guarantees. In addition, they pledged what Manglapus called "creative compensation" in the form of trade opportunities for Filipino businessmen. They promised to exempt Philippine products from the Berry Amendment which requires the U.S. bases abroad to purchase only products "made in USA."

But the 1990 Defense Appropriation Act does not contain this waiver of the Berry Amendment. Isn't this a truly "creative" way of breaking a solemn pledge?

The diplomatic correspondent of MANILA BULLETIN quoted an unnamed Padre Faura citing four more instances of American "creativity".

Under the Manglapus-Shultz Agreement, the U.S. is supposed to pay $4 million a year for units of our Air Force and Navy contingents who serve as security guards for Clark and Subic. But now they would like to subtract this amount from the $400 million Military Assistance Program (MAP)

Secondly, the Americans promised $5 million to relocate the Filipino squatters around Clark and Subic. Now they would like to charge this to the $320 Economic Support Fund.

Thirdly, they committed $192 million in the form of direct grants under the Development Assistance and Fund Aid. Yet they have unilaterally converted $30 million of this into a loan which the Filipino must pay back.

Finally, the Americans vowed to convert $29.5 million of military sales credits into a grant. Now they are taking back their word. Instead of a grant, it becomes a loan. In other words, future generations of Filipinos have to pay for the arms and ammunition our military scoundrels use in bloody attempts to overthrow the civilian government.

Manglapus, according to the BULLETIN report wanted to send a letter of protest to Washington, but President Aquino apparently restrained him. "Certainly," she argued, "we expect them to fulfill their commitments because that is part of the agreement." She would rather take up the matter at the exploratory talks on a new bases treaty in March or April.

Does she really believe the hard-nosed American negotiators, like some of our senators, would relent if she cries over their shoulders? A leader of a self-respecting nation would immediately cancel further talks and issue an eviction notice. What is the use negotiating with people who have shown themselves to lack a word of honor? But there seems no end to our government's servility.

To be swindled once is a tragedy. To be swindled twice displays stupidity. To be swindled again and again bears the marks of treachery. [passage omitted]

Editorial Views U.S. Tactics on Bases

HK2301060990 Manila PHILIPPINE DAILY GLOBE in English 23 Jan 90 p 4

[Editorial: "Retaining the Bases on U.S. Terms"]

[Text] A dilemma now confronts those Filipinos who have led themselves to believe the country can cash in on the U.S. bases.

Last week Foreign Secretary Raul Manglapus nearly frothed in the mouth, complaining mightily that Washington has not lived up to its end of the bargain he fashioned in November 1988 with then Secretary of State George Shultz. The U.S. government had pledged to exert "best efforts" to raise compensation to the Philippines for the last two years of the Military Bases Agreement. The aid has not been delivered. Chances are it won't be, given the deficit-cutting mood of the U.S. Congress. Not for a long, long while. Or at least, not until Manila finally accepts Washington's terms for the continued presence of its military forces in the country.

U.S. Senate Minority Leader Bob Dole appeared to have injected a new ingredient by proposing that aid to such traditional U.S. allies as the Philippines, Israel, Egypt and Pakistan be cut by five percent so that Washington could raise $330 million to help Panama and the "new democracies" of Eastern Europe get on their feet. But when you get right down to it, Dole's "proposal" (threat?) suits perfectly the U.S. objective of keeping its military installations here.

These twin developments have caused great anxiety in the Philippines, not only because some of its leaders appear to be genuinely hurt by Washington's reneging on its aid commitments. But also because, U.S. reluctance to deliver "assistance" could be taken as a sign of American dissatisfaction with the government of President Aquino.

A long-time client state of America, the Philippines has now reached the point that it cannot realistically project its annual public expenditures without inputting "committed" U.S. aid to its calculations. Already, certain Aquino administration officials have warned that without the aid promised in the Manglapus-Shultz Memorandum of Agreement a huge chunk of basic services would not be delivered and the peso would again take a beating in the forex market—both of which would ultimately aggravate political instability and social restiveness.

But it is not hard to suspect that the bigger worry of Manila is that U.S. aid withheld would amount to Washington's thumbs-down verdict on the Aquino administration. Of course, President Bush has dispatched to Malacanang a top security adviser of his, purportedly to tell Mrs. Aquino it ain't necessarily so. But U.S. foreign policy has on too many occasions shown itself to be doublefaced. Therefore, Filipinos have good cause to doubt Robert Gates's or Marlin Fitzwater's or even Mr. Bush's assurances of continued support for "democracy in the Philippines." If only the Filipino people could have eavesdropped on Mrs. Aquino's private conversation with Gates, a former CIA official, then perhaps we would have less reason to be suspicious. But going by Washington's track record of intervention in the Philippines, we would not be surprised if Gates had "defined the parameters" for continued U.S. support for Mrs. Aquino.

Try this: An extended lease for Clark, Subic and other U.S. facilities in the Philippines at a price that deficit-conscious American legislators would not object to.

Unfortunately, the Aquino government has no one to blame but itself for painting the country into the proverbial corner. When it called in U.S. warplanes during the December coup, it gave Washington the diplomatic leverage to dictate the terms for retaining the bases here. Senator Maceda observed Thursday that many Filipinos, because of the U.S. Phantoms' "persuasion flights," now believe that as long as the bases are here and as long as Washington is pleased with Mrs. Aquino, no coup attempt could possibly succeed.

Talk about having cake and eating it, too.

Senator Calls for Cancellation of Bases Talks

HK1901065190 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 19 Jan 90

[Text] Senate majority floor leader Teofisto Guingona today requested the cancellation of the scheduled U.S. bases exploratory talks. Jojo Ismael has the details:

[Begin recording] [Ismael] Because of the United States' failure to fulfill its financial aid to the Philippines, Senate majority leader Teofisto Guingona today strongly demanded the cancellation of the scheduled U.S. military bases exploratory talks. Senator Guingona said in today's news conference that the United States' failure to fulfill its financial pledges since 1980 is a serious violation of the Republic of the Philippines-United States agreement regarding the Economic Support Fund, which covers the retention of the U.S. military bases. Guingona proposed that representatives from both countries hold a meeting to discuss issues of peace and cooperation, and drop the subject of the retention of U.S. facilities in the country.

[Guingona in English] Really, there should no longer be any exploratory talks, and instead, let us just sit down with the United States representatives to have a peaceful and cooperative turnover of Clark and Subic in 1991. [end recording]

Labor Official Dubious of Base Workers Pact

HK1901092990 Manila THE MANILA CHRONICLE in English 18 Jan 90 p 9

[By Booma Cruz]

[Excerpt] Olongapo City—The signing of the P215.9-million three-year collective bargaining agreement (CBA) between the Federation of Filipino Civilian Employees Associations in U.S. Facilities in the Philippines (FFCEA) and officials of U.S. military bases does not guarantee the extension of the Military Bases Agreement (MBA).

This was disclosed by a labor official who said the Bases Labor Agreement (BLA) is independent of the MBA.

FFCEA president Roberto Flores said the matter was not even discussed during the negotiations because of its "controversial" nature.

He said the FFCEA would abide "by what the Philippine panel decides," adding that, "of course, we will fight for our rights in case the bases agreement is not renewed."

Peter Dodd, the U.S. labor attache, said the new CBA has nothing to do with the MBA talks scheduled in March or April. "If you ask me about the termination of the U.S. bases in the Philippines, I personally think that

it's not going to happen that way. The worst that could happen would be a phaseout which would take several years, maybe more than five years. But plans about this have to be worked out," he said.

Dodd confirmed reports that the U.S. is cutting its military expenditures worldwide. U.S. embassy sources said one of cost-cutting schemes being considered is the non-replacement of retiring Filipino personnel.

Dodd admitted there is a "freeze hiring" directive in all U.S. military bases. He, however, declined to comment on the possibility of "laying off" Filipino base workers. [passage omitted]

Ramos To Ask U.S. To Convert Credit to Grants

HK2301120190 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 23 Jan 90

[From the "GMA News" program]

[Text] Defense Secretary Fidel Ramos will ask the United States to convert some $13 million of unused credits to grants under the Philippines-United States assistance program. He said that the United States Congress has yet to act on the Philippines' request to speed up release of the money. He added that the Armed Forces of the Philippines has already compiled a list of firearms and hardware that it will acquire from the United States. These include helicopter gunships, patrol boats, and different kinds of guns.

Use of U.S. Planes Urged in Rainmaking Efforts

HK2201102190 Manila MANILA BULLETIN in English 21 Jan 90 pp 1, 22

[Text] Quezon City Rep. Ismael Mathay Jr. urged yesterday the use of U.S. planes for intensified rain-making or cloud-seeding operations and the mobilization of barangays through the Metro Manila Authority (MMA) for systematic water rationing in drought-striken areas.

He said the cloud-seeding effort to induce rainfall in various parts of the country adversely affected by a drought can be boosted by the mobilization of American planes suited for the purpose.

The government depends on only one Philippine Air Force plane to do it, Mathay said.

"We can even arrange payment for the use of U.S. planes with the unpaid portion of the U.S. financial commitment for the use of the bases for 1989," he added.

The congressman called for the mobilization of barangays by the MMA [Metropolitan Manila Authority] for "Oplan Taginit [summer operational plan]." He said barangay brigades can effect a systematic rationing of water through the use of over 200 firetrucks in Metro Manila.

He said these trucks can be deployed in areas where the water shortage is critical, particularly in poor areas.

The water shortage is expected to reach critical levels in the coming weeks. The drought has affected many parts of the country, destroying crops worth millions of pesos.

A few days ago, the government started rain-making operations by bombarding rain clouds with silver iodide, chloride, and salt. The effect has been minimal, however, because only one plane is used for it.

The cloud-seeding was done over La Mesa Dam in Quezon City and Angat Dam in Bulacan.

President Aquino Appoints New Labor Secretary

HK1901114390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 19 Jan 90

[From the "GMA News" program]

[Text] President Aquino today named Undersecretary Ruben Torres as new labor secretary. Torres will replace Dionisio de la Serna, who was appointed acting labor secretary in the recent Cabinet revamp. Torres will take his oath of office tomorrow in Malacanang.

Aquino Told To Repeal Emergency Powers Act

HK2401093390 Manila PHILIPPINE DAILY GLOBE in English 23 Jan 90 p 6

[By staff writer Philip M. Lustre Jr]

[Text] The Emergency Powers Act should be repealed because human rights violations have been committed in the course of its implementation, a group of cause-oriented organizations told a Senate committee yesterday.

The National Movement for Civil Liberties (MNCL) told the Senate committee on justice and human rights that the law's implementation had also led to the suppression of the broadcast media.

Renato Constantino Jr, an NMCL official said, "The danger of the Emergency Powers Act lies in the reality that it establishes a national state of mind by which, on the one hand, ordinary citizens may unconsciously, if not readily, accept incursions against their basic liberties and rights and, on the other, instill in the minds of the implementing authorities a wider and larger scope of powers than what the (law) has actually accorded them."

He added: "Either way, it only serves to enhance the subtle drift of Philippine society towards authoritarianism."

Quoting an initial report of the left-wing Bagong Alyansang Makabayan (Bayan) [New Nationalist Alliance], Loretta Ann Rosales, another NMCL top official, cited human rights violations in Mindanao, Central Luzon and Central Visayas.

People's organizations, she said, have been unable to pursue their objectives because of "sustained military

operations and (Citizens' Armed Forces Geographical Units) and vigilante activities prejudicial to their basic constitutional rights."

Rosales reported cases of political arrest, detention and disappearance in Central Luzon and Mindanao, citing the January 2 disappearance of two peasant leaders in Tarlac—Maximiano Mesina and Felix Dimitui of the militant Alyansa ng Magbubukid [Alliance of Farmers].

Rosales also reported "an increase in the deployment of troops, particularly in the areas of Davao City, Davao del Norte, Agusan, Surigao and Bukidnon due to coup rumors, focusing on the creation of the Mindanao Republic."

Quoting the report of Citizens' Alliance for Consumers' Protection (CAP), Raul Segovia, another NMCL leader, said the spiraling prices of consumer goods could not be attributed alone to the destabilizing effects of the failed December 1-9 military rebellion.

Segovia said the root causes of the increasing prices could be traced to several policies and decisions, including the adoption of the value added tax (the World Bank-inspired consumption tax policy), the submission of the Memorandum of Economic Policy (MEP) to the International Monetary Fund (IMF) and increase in prices of petroleum products.

Segovia described as mere palliatives the Department of Trade and Industry's efforts to run after price manipulators, hoarders and profiteers, saying the government should address itself to what he considered as "the real culprits"—the World Bank of IMF-instigated government decisions.

Segovia said the Emergency Powers Act should be used instead to amend, reverse and repeal some of the "onerous provisions" of the policy decisions that affect the people.

Aquino Meets Navy's Junior Officers for Dialogue

HK2301115790 Quezon City Sports Radio 738 in English 1100 GMT 23 Jan 90

[Text] The president this morning met with junior officers of the Philippine Navy. This is the third in a series of dialogues with junior officers of the Armed Forces.

During the meeting, the president asked the officers to involve themselves in the pro-poor program of the government. Mrs Aquino said helping the poor is one of the most effective ways of combating insurgency.

Shortly after the dialogue, Press Secretary Tomas Gomez spoke to newsmen, and he echoed one of the soldiers' sentiments.

[Begin recording in progress] ...of medical doctors. And of course, we cannot attract them into the military because of the low pay. These are some of the issues we are looking into... [changes thought] ...to augment medical services, and the president said that during the snap elections campaign, she had a group known as Doctors for Cory. Perhaps these doctors can be asked to render for charity their services. [end recording]

Aquino Denies Further Round of Wage Increases

HK2301102190 Manila Radio Veritas in Tagalog 0900 GMT 23 Jan 90

[By Gabby Salcedo from Malacanang Palace]

[Text] President Corazon Aquino dismissed reports about a 1 May Movement's [KMU] demand for another round of wage increases even as she affirmed that the government is doing everything to enforce the 25 peso daily minimum wage increase. The KMU alleges that some employers are not paying the legal minimum wage rate.

In another development, President Aquino also dismissed a statement by rebel soldier Brigadier General Edgardo Abenina, who claimed that some senior military officials, governors, mayors, and some congressmen reportedly supported the recent coup attempt. The president also reacted to appeals by some senators and military officials for a clean and honest administration dedicated to the poor.

Here are statements by the president as read by Lourdes Paragas of the Malacanang Press Office.

[Begin recording in English] No, the government is not going to effect another round of wage increases as it did the last time. Under Republic Act No 6727, regional tripartite wages and productivity boards have been created for all the regions with the power and functions, among others, to determine and fix the minimum wage deemed applicable in their regions. While this is [word indistinct], there is under issue the corresponding wage order subject to guidelines issued by the National Wages and Productivity Commission. I will be sending directives to DOLE [Department of Labor and Employment] to have them [words indistinct] of the regional tripartite wages and productivity boards and see to the effective compliance of the daily minimum wage legislation, including application of the proper sanctions, particularly against willful violators.

Statement No 2: Abenina's letter is what lawyers would call coming from a polluted source, it being admittedly one of the most guilty. As it is, it can be referred to investigative bodies for whatever it may be worth. [end recording]

Aquino Extends Rice Price Ceiling Up to 28 Feb

HK2201121190 Quezon City Sports Radio 738 in English 1100 GMT 22 Jan 90

[Text] President Aquino today issued National Emergency Memorandum Order No 7, expanding the coverage of the price ceiling of rice nationwide. The price

ceiling on rice will remain in effect until February 28 this year. Tanny Rodriguez reports:

[Begin recording] The chief executive said an earlier memorandum dated December 3, 1989 imposed price ceilings on prime commodities including rice only in Metro Manila. This, according to the president, is a precautionary measure to prevent hoarding, profiteering, imperious speculations, and price manipulations of rice supply throughout the country as a result of drought conditions in certain regions in the country. The price ceilings of rice which will be effected throughout the country are as follows: NFA [National Food Authority] rice, 7 pesos; regular milled rice, 8 pesos; and well-milled rice, 9 pesos.

The chief executive has directed the Department of Trade and Industry to implement the said memo and impose penalties as provided for under the law, and mobilize all government agencies and law enforcement agencies to strictly implement this latest order. Price ceilings on rice shall take effect on a nationwide scale 2 days after the publication of Memo 7 in two newspapers of national circulation and shall remain in effect until February 28 this year. [end recording]

Aquino Outlines Goals at Energy Conference

HK2301052590 Quezon City Radyo ng Bayan in Tagalog 0110 GMT 23 Jan 90

[Speech by President Corazon C. Aquino at the opening of the Energy '90 International Conference and Exhibition, held at the Philippine International Convention Center, Manila; live in English]

[Text] Secretary Catalino Macaraig Jr, Minister Ginandia Katasastika, Diet Minister Hufuguro, Attorney Wenceslao dela Paz, participants to Energy '90, honored guests, ladies and gentlemen:

The Philippines is honored to host the Energy '90 International Conference and Exhibition and to share with you on this occasion a perspective on the Philippine energy scenario.

It gives me great pleasure to reaffirm to you today our continued friendship, good will, and full cooperation toward our common energy goal.

One needs only to view the participation here this morning and the topics on the conference agenda to realize that this is, indeed, an outstanding forum for communication among those responsible for energy.

Today's event provides a welcome opportunity to highlight the Philippines' potentials and opportunities in the energy field. You are probably familiar with the recent disruption and turmoil in our national life. Most of you would perhaps think that hosting a conference on energy could only be a distraction for a government that has just been besieged by destabilization efforts. Yet, remarkably enough, we like to believe that we were able to give this event the attention it deserved. It not only reflects the political normalcy that has already been achieved, it also attests to the extent and expanse of government commitments to the cause of long-term stability and progress.

The fundamental strength of the Philippine economy has not been altered by the recent event. On the contrary, the firm resolve of the Filipino people for democratic freedom and processes has been reinforced. The Philippines is determined to join the ranks of the prosperous nations of the Asia-Pacific region and to play a more active role in the development of the area. For, in spite of the problems confronting us, we have achieved much and will do even more today. We are all witnesses to the resilience of our economic recovery.

This would not have been possible without a corresponding growth in energy use. Despite determined efforts to curb fuel consumption, energy requirements kept outpacing the level of our GNP growth. The total rose last year by about 10 percent to a record level of $119 million of fuel oil equivalent.

As we move into the future, investment flows are providing a more dynamic basis for continued growth. With the restored confidence among the people and the international community in the Philippine economy, a stream of major investors have confirmed their expansion plans and long-term investment initiatives. The challenge is to respond to the increasing energy requirements in the 1990's. From the domestic energy system, a steady flow of resources is needed. The country's dependence on imported fuel, 65 percent of the domestic energy mix last year, is a serious concern.

With this in mind, our direction for the future is clear. First, to reach a higher level of energy self-sufficiency, and, second, to continue promoting energy conservation and a shift to indigenous sources. Hence, the national policy features a diversity of strategies. We cover the whole activity spectrum, from resource substitution to coal generation system for energy conservation at the other extreme.

The objective is to ensure the uninterrupted flow of energy. As a consequence, we have substituted from indigenous sources the equivalent of about $400 million-worth of imported energy in 1989 from the successful harnessing of domestic oil, coal, hydro-, and geo-thermal power.

We have laid out the implementing blueprint and the physical target to constitute our 5-year energy development program. We took stock of the logistics requirements attendant to this plan.

To develop a truly responsive energy program, our policy directions over the medium-term are the following:

1. We shall rely upon the private sector, including foreign business firms, to search for oil in the Philippines. The government shall play an active supportive role by providing technical support in the gathering of baseline geophysical data. Our petroleum exploration

activities are programed to continue at an even more aggressive stage. The recent natural gas discovery in offshore Palawan was an important milestone, as it enhanced our optimism about our oil potentials. The gas find yielded interesting indications of commercial reserves in the surrounding structures and perked up further foreign interest in the country's oil exploration prospects.

During my recent trip to Dallas, where I invited American oil industry executives to explore our oil fields, I announced the government's readiness to provide for additional incentives under our contractual terms. I am confident that this year we shall see some positive response to this invitation.

2. Exploration for and development of coal resources shall be a dual effort, relying principally on the private sector as the government catalyzes development of the coal market.

Considering the state of the coal industry, we are committed to provide the necessary support and assistance. Government activities and investments will primarily consist in setting up the logistics system for the coal movement nationwide and in promoting local coal utilization.

3. Government shall actively pursue explorations for and development of geothermal resources. The private sector will be encouraged to participate. The emphasis on geothermal energy as the country's cheapest for power generation has set the stage for the development of geothermal fields. We are happy to note the efforts to effect certain changes in the existing geothermal framework to attract additional capital into our (?steam) fields. During my visit to Dallas, I likewise endeavored to interest oil exploration companies to join our geothermal energy program, for last year was a particularly difficult one in the aspect of electric power capacity. Our economic growth has fueled a sharp demand for electricity, which strained the existing system's capability. This, together with the natural calamities that severely hit three power stations in Luzon and Cebu, give rise to the state of power interruptions in these areas.

I recognize that there is now a need to have a direct hand in the implementation of various power projects. Consequently, I've issued an order allowing the National Power Corporation [NPC] to undertake negotiated contracts valued up to 500 million pesos from a previous limit of 5 million pesos. This will enable the state utility to speed the approval process for several projects. I've also directed the NPC to keep me posted on the progress of the implementation of these projects.

5. In recognition of the significant requirement in the power sector, we laid down, since as early as 1987, the policy of allowing private sector participation in power development. This policy has been set out in Executive Order No 215 and incorporated in our overall energy plan, as well as in the investments priorities plan of the Board of Investments. Rules and regulations to implement it have already been promulgated and are currently in force.

The Philippines is now considered among the frontrunners in encouraging private sector participation in power supply. A number of entities have already been issued accreditation for different power projects. It is the best sign of serious interest to pursue private power projects.

6. While developments of large hydropower resources shall be undertaken primarily by the public sector through the National Power Corporation, the private sector is also encouraged to participate in mini-hydro-developments, even in (?grid) areas. NPC is set to offer a number of small hydroelectric plant projects in Mindanao to prospective bidders.

7. Development of nonconventional energy sources, such as solar energy, biogas, and other excess agricultural waste shall be undertaken by the private sector with strong government assistance. Government efforts are currently focused on the commercialization aspects of a wide range of potential energy sources. On the downstream side, government activities will be limited by the dictates of commercial and strategic considerations.

Given present petroleum trends, the need to raise present refining capacity also invites investments from the private sector. The other leg of the national energy policy is the more efficient utilization of different fuels. To this end, government provides the technology, demonstrations, and loan funds to industries and enterprises wishing to pursue energy conservation.

As there are countless opportunities for energy savings in industrial establishments, we have also worked for the inclusion of energy conservation projects in the investments priorities plan. That, hand in hand with our financing scheme, is the provision of generous tax and other incentives by the Board of Investments for industries wanting to introduce energy-conserving equipment or modifications.

I recently had a dialogue with business leaders, who offered to reactivate the energy conservation movement. This is very much welcomed, as energy conservation through conscientious voluntary effort is far more effective than the mandatory route.

These are the policies and activities in the energy sector that are of interest to business. As you can see, there is a well-coordinated interplay of government and private sector initiatives in the implementation of our national energy program. The opportunities are enormous. A tremendous amount of financial and technical resources is required. Because the need is compelling and urgent, I have taken this opportunity to ask for your support. For while some headway has been achieved, we have quite a distance to go, and this cooperation between us is nothing short of imperative.

I therefore commend you on the theme of this forum—fueling progress in the 21st century. The timing is indeed appropriate, coming as it does at the start of a new decade.

As we chart our energy path, we must have the will to cooperate and insight into our problems and potentials, and the determination to sustain the long efforts that are clearly demanded. Your concern and willingness to share ideas and act jointly in matters of mutual interest strongly indicate a promising future.

With these sentiments in mind, I wish you Godspeed and every success in working out a realistic energy scenario from which we can crystalize the right energy strategy—one which will see us through the 1990's and onward. Thank you and good morning.

Ramos Orders Probe Into Foreigners' Killing

HK2201044790 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 22 Jan 90

[Text] Defense Secretary Fidel Ramos has ordered Armed Forces Chief General Renato de Villa to create a special team that would immediately investigate and look deeper into the ambush killing of two Red Cross workers in Buldon, Maguindanao Friday evening. In his directive, Ramos told de Villa that the immediate arrest of the suspects should be effected at all costs.

In the same directive, Ramos asked de Villa to submit within 72 hours the outcome of the investigation.

Last Friday, Walter Berw[illegible]ger, representative of the International Committee of the Red Cross based in Davao City, and his driver were ambushed and killed by unidentified gunmen suspected to be Muslim separatist members. Berwerger was in a two-car convoy returning from Buldon, Maguindanao, an area where Muslim separatist rebels and several other bandit groups operate, when four armed men dressed in camouflage flashed down the vehicle and started taking items in their cars.

Rebel General Sends Letter to Estrada on Coup

HK2301092790 Manila PHILIPPINES NEWSDAY in English 23 Jan 90 p 9

["Full text" of rebel leader Brigadier General Edgardo Abenina's letter to Senator Joseph Estrada, released to the press on 22 January 1990]

[Text]

2 January 1990

Honorable Joseph E. Estrada
Senate of the Philippines
Manila

My dear Senator Estrada:

I am Brig. Gen. Edgardo M. Abenina.

I write this letter to you in all humility with great admiration for your person and utmost respect for your position. You have always manifested your extreme patience under the most trying conditions and you are well-known for your unassailable love of country and sense of fair play and justice.

Some time has now passed for everyone concerned with the American-defeated Revolution by the Nationalist Reformist Movement (which we now call the December 1st Movement) for us to be able to view the whole event, hopefully, with minimum emotionalism and, possibly, with maximum equanimity—for we all love our Country, no doubt, in our own different ways. How and to what extent may, at this point, be better left alone.

Ipahintulot po ninyo, kagalang-galang na Senador, na maipaliwanag ko ng buong katapatan ang mga dahilan kung bakit isinakatuparan ng Nationalist Reformist Movement (NRM) ang aklasan ng ika 1 ng Disyembre. Dahil po dito ay magiging mahaba itong aking salaysayin. Ilarinawa po ay paking gan ninyo ang aba ninyong lingkod.

Sa mga unang pananalita ay ipaubaya po ninyo na banggitin ko ng buong-buo ang naging batayan ng aming ipinakikipag laban na handa naming pagtaniman ng aming tanging buhay. Ang sumusunod na mga pananalita ay ang aking taus-pusong batayan ng aming paninindigan [I ask your permission, honorable senator, to explain with all sincerity the reasons why the NRM staged the 1 December coup. It will be a long account, and I hope you will listen to your humble servant.

[Allow me to mention in the beginning of this account the major reasons why we are fighting, and why we are prepared to defend it with our lives. The following statements are the basis of our wholehearted convictions]:

We are a nation betrayed. By ourselves and by our leaders.

Every administration brings a promise of prosperity; of justice; of solution to age-old problems of poverty, inequality and oppression. Yet every regime brings nothing but greater misery to our people.

We are destroying our democratic institutions. The system of justice is a farce. It is not only slow; it is unjust. While it pampers the moneyed and the powerful, it oppresses the poor and the underprivileged.

We have an economic and political system that caters to the whims of the rich but denies opportunities to the poor and the deprived.

This government must not continue if we are to save ourselves as a people, as a nation of dignity and of honor and of pride.

The Aquino Government has failed.

It has failed to govern and ensure the safety and well-being of its citizens. We need a government that reflects our virtues. A government that will instill discipline and pride in the Filipino. One that will guide us with total certainty into the coming decades. One founded on a new moral, political, social and economic order.

We will establish a government of nationalist direction with a strong social purpose. We do not start with a promise; we begin with a firm national resolve. To establish a government for Filipinos by Filipinos. A government where laws are equally applied to all. A government for the overwhelming majority and not for the elitist few. A government that promotes Filipino values without neglecting universal laws of conduct. A government that gives opportunities to every Filipino—for health, education, welfare, work, home and leisure. A government that makes the Filipino proud of himself, of his country.

With great resolve, with unbending social purpose, with strict national discipline, with new structures and institutions, and with the help of God, we will succeed!

How did it all start? How did it all begin? You may ask, and by whom was it started?

After the EDSA [Epifanio de los Santos Avenue] Revolt of '86, expectations were so pink and bright. Pressures that had built up in everyone's heart before the Revolt had subsided. People, and soldiers, were jubilant. Everyone was full of hopes and dreams. In no time changes and reforms would come. Equality, at last! Under democracy. Opportunities for all and even chances for everyone. Justice, legal and social, for the poor, the underprivileged, the common man. No oppression, no repression. Life would be better. Tomorrow will be brighter. Progress will come. We all waited. Nothing came. Waited, some more time. Nothing would ever come! Things got worse and the situation bleaker. Communists were set free. **Soldiers continued to die, hard pressed against the wall. The communists got bigger and bigger democratic space. The rich got richer. The poor got poorer.**

To a nationalist, this is the end of the road!

From the frontline formations and groups in the AFP [Armed Forces of the Philippines] where major interest and objective are to see some changes and reforms made within the AFP; the Guardians, the Loyalists, the RAM [Reform the Armed Forces Movement], the Soldiers for the Filipino People, and the other unnamed institutions and individuals without any political inclinations or ambitions whatsoever, was born a simple natural desire to be free from the "bondage of democracy," to fight "democracy." If democracy meant more and more for the rich, the powerful, the influential, the politicians, the businessmen, the privileged, and less and less for the every great overwhelming poor majority.

The pent-up pressure building up fast and strong among the restless young officers and a few remaining meaningful senior officers of the AFP fused into one strong common bond their desires.

In a meeting sometime in the middle of 1988, I asked more in rhetoric than in search of answers: What do we, in the whole, attempt to achieve here? (At that time on the table was a draft of a resolution asking the AFP to institute very meaningful and valid reforms.) Remember, the AFP is only a small cog in the wheel of government. Realizing that the entire governmental environment is deeply engrossed and engulfed in graft and corruption, dishonestly, immorality, inefficiency, clitism and power absolutism, we can't expect a change. Let us instead put aside our individual and group interests, beliefs and political leanings, if there are any, and work solely for the country. We adopt completely all the principles we are propounding to the AFP leadership, on a national scope, as our basis for action. Since such cannot be presented as a resolution to be acted upon validly by the government, we must provide appropriate vehicular measures by which the primary objective we are seeking may be attained. By adopting and attaining this one overall objective for country and people, we thereby, consequently, achieve our individual and group interests. We shall shun and spurn political interests, parties and personalities which and who may weaken the validity and purpose of our prime national objective.

This suggestion finally led to the formation of the **"Nationalist Reformist Movement," composed of young, mature, capable, competent, idealistic, dedicated, loyal, honest, talented and virtuous** young officers of different service callings, opposite political beliefs and of varied political patronages, but, certainly, firmly of one sole **Primary National Goal and Objective: reforms, based on nationalism, for the common good of the country and our people.** Everyone has transcended his own self, purpose and interest for the sake of the country. The formation of such a cohesive patriotic group has been proved possible as shown during the December 1st Movement.

The NRM was born and its politicization began. **From the very start of the Movement, great and painstaking care was taken not to consult with any politician, especially the "traditional," lest the Movement be unnecessarily tainted by prejudice and bias through association.**

It is appropriate at this point that **I strongly and emphatically deny and repudiate vehemently and categorically the statement by the CRC [Capital Region Command] that I got P25M to join the rebellion "to bring in the PC [Philippine Constabulary]." This is all a lie! No officer or non-officer was given and received money to take part in the December 1st Movement.** Everyone who was and is still in the on-going NRM did and does it solely for love of country and people. Brig. Gen. Jose Zumel, Brig. Gen. Jose Commendador, Brig. Gen. Marcelo Blando, Commo. Domingo Calajate, Col. Gregorio Honasan, Col. Rafael Galvez, Col. Romelino Gojo, Col. Tiburcio Fusilero, Col. Alex Noble, Col. Tito Legaspi, Col. Red

Kapunan, Maj. Abraham Purugganan, Maj. Leovie Dioneda, and all other officers whose names can't be mentioned now, and, most especially, the thousands of non-officers who are all members of the Movement, have in their lifetime of service to our country and people individual records of excellent performance and unassailable character beyond blemish. **They are all ready and willing to die, anytime, not for money, but for what we believe in and what we stand for: patriotism, honesty in service, loyalty to our people.**

The Marines and the Rangers—Two very solid organizations, **could they have joined for the money?**—and the Air Force, who ruled the Philippine skies until the arrival of the "Phantom Air Force" and the PC troops who fought gallantly in support of the main attacks, affirmed this dedication to the NRM and showed to everyone and sundry **they were all willing to die if their deaths could have reversed the "tide of battle" which grudgingly swayed in favor of the USA. As then we realized the USA was willing, and did intend to kill 60M Filipinos if by so doing they could retain their bases here in our country for aggression against our people's will and fate which they have been doing for almost a century now,** so our troops decided to "return to barracks" to live for another day.

No politician or interest groups contributed money to the Movement. But for a fact, the "hat" was always being passed around and contributions as small as P50 kept coming in. The biggest amount of contributions came from many senior officers of the AFP/INP [Integrated National Police] who contributed provided they would not be tasked during the launching of the Movement—**they would be neutral**—and would not be removed from assignment after victory. Many governors, and a great many mayors and congressmen sent in sizeable and meaningful contributions, anonymously. Proceeds from these contributions were used mainly to purchase much needed electronic communications equipment and firearms and ammunition.

To prove this is true, the government did not know of what NRM has been doing all this time. But for the unfortunate "capture" of our men who blasted the "Palace in the Sky" in Tagytay City, the AFP/Malacanang communications nerve center, hours before the launching of the Movement, Secretary Ramos and Gen. De Villa would not have known a bit about the December 1st Movement. Logically, if they were ignorant of these things then, could they be wiser now? They are concocting theories and stories to cover up for their ineptitude and inability to perform the functions of their respective offices. While they may be able to get pieces of information here or there, these pieces will not fall into their correct and proper places to give them the complete picture of the puzzle. They indulge in sowing fear in the minds of the public to frighten them into submission to their total control. **Media should now watch out very carefully!** This shows how devastating the NRM has defeated the Aquino-American government!

One false theory they have forwarded is that the NRM has been guided and motivated by Marcos Loyalists and other interests or political groups. All of us, except Brig Gen Zumel who is perceived incorrectly to be avidly a Marcos loyalist, were part of the '86 EDSA Revolt. On my part, I worked with Secretary Ramos for many years, and I was the Deputy of Gen De Villa when he was Regional Commander of the Bicol Region during the EDSA Revolt. Brig Gen Zumel subscribes and believes in a principle of true loyalty, not "balimbingism." In the NRM he is always above personal interest and consideration. He is a perfect gentleman and there is nothing of any sort of dishonesty, inefficiency and graft and corruption the government could level against him. In fact, it was when he was PMA [Philippine Military Academy] Superintendent that the PMA was, on one of those rare instances, well and effectively-managed. And all the other officers named, and unnamed, in government documents as having participated in the December 1st Movement have all a credit to themselves as having served the AFP and the country honestly, loyally, and faithfully beyond question. **Our records are in your hands for scrutiny.**

At the cross-road of our Nation's future and history, we of the NRM are all at the apex of our individual life where mundane matters, especially money, are not a passport to eternity.

At this point, Very Honorable Senator, I have reached the end of the more important aspects of the NRM. It is a pity I cannot personally present this report to you for the sake of my "health." Before I finally close, however, please allow me to re-state emphatically and once more deny vehemently the very wild and insane allegations by Gen Montano, to include Brig Gen Biazon, that I received P25M to join the Movement; that other officers and non-officers were given and received money to take part in the December 1st Movement; and, that the December 1st Movement, as a whole, was planned, organized, motivated and supported by political **interest groups.** Anyone who said that knows he is lying to his God! Some may believe it for some time but not for long. It is now in your sense of fair play and justice, Senator, to believe what your conscience dictates. Also, it is now time for everyone to realize that while the monopoly of graft and corruption, ineptitude, inefficiency in management, lust for power—all those creating social, psychological and economic injustices—are a monopoly of government, **this same government does not have a monopoly on patriotism, for we, of the NRM, now possess it.** We have courageously demonstrated it, and vividly enough. **This government lost its patriotism when it begged the USA to bomb and fire upon Filipinos, to kill the symbol of patriotism.** We can prove and will show we can run and manage better and wiser the affairs of our people and our country for we shall elevate common good above any one person, above any one group of persons, and above government itself. We are all well-educated, thoroughly trained in the fields of human

endeavors, and totally imbued with discipline exposed to deprivations! Man for man, ounce for ounce we can beat them!

Very Honorable Senator Estrada, NRM now bids you goodbye as NRM gives you our warmest regards and best wishes for a more prosperous new year to you and your loved ones.

Ilanggang dito na po lamang, pinagpipi-taganan naming Senador, at nawa'y lagi kayong patnubayan ng ating Mahal na Buong Maykapal at idinadalangin namin na ikaw at ang iyong mga minama al sa buhayaybuong pagpapala Niyang kalingain sa bawat sandali ng ating pakikibaka sa lahat ng mga masasama sa sandaigdigang ito, lalong-lalo na dito sa ating pinakamamahal na Bansang Pilipinas.

Maraming salamat po!

[We would like to end here, our distinguished senator. May God guide you. We pray that he will always care for you and your loved ones every minute of our struggle against the world's enemies, particularly here in our beloved Philippines. Thank you very much!]

For God, our country, and people!

Ang Malugod na Gumagalang [Sincerely Yours],

Brig Gen Edgardo M. Abenina (SGD) Nationalist Reformist

** Our troops were not really captured. They were the ones assigned security thereto. After the destruction of the facilities, they were investigated: two enlisted men eventually talked; the officer in charge talked, but assumed full responsibility and did not implicate anyone else. This explains the scarcity of information available to Sec Ramos and Gen De Villa to the very moment the Movement was launched on December 1st.

Former Military Officers Charged for Dec Coup

HK2201100390 Manila Radio Veritas in Tagalog 0900 GMT 22 Jan 90

[By Rey Mariano from the Department of Justice]

[Text] Armed Forces Chief of Staff General Renato de Villa filed rebellion charges against three former top officials of the Philippine Navy and Air Force before the Department of Justice for supporting rebel soldiers in the last coup attempt. Charged were former Navy Captain Felix Turingan, former Air Force Colonel Oscar Legazpi, and former Navy Lieutenant Jaime Lucas.

In his referral letter to Justice Secretary Franklin M. Drilon this afternoon, de Villa urged an immediate investigation into the case. Justice Undersecretary Silvestre Bello III received relevant information and documents from the Armed Forces of the Philippines, including testimonies against the three men. He turned the information over to senior state prosecutor Aurelio Trampe, who heads a 15-man investigating panel of the Department of Justice. However, Trampe said that his panel will still have to review de Villa's letter to verify if there is any basis on which to begin preliminary investigation.

The three accused have been dismissed from the military service since December 1987. Of the three men, only Turingan remains at large. They all reportedly took part in the raid of the Sangley Naval Base at the height of the 1 December coup attempt.

Senator Links Military Irregularities to Coup

HK1901051990 Manila PHILIPPINE DAILY INQUIRER in English 19 Jan 90 p 8

[By Tony S. Bergonia]

[Text] The chairman of the Senate defense committee yesterday said mishandling of AFP [Armed Forces of the Philippines] funds and the military's promotions policy drove some soldiers and officers in the field to join the December coup attempt or to remain neutral.

These irregularities have also opened avenues for graft and corruption in the military, said Sen. Ernesto Maceda.

The senator said that based on his dialogue with soldiers and offices, "there is general dissatisfaction, AFP-wide, with the present policies on promotion and assignment of the officers and in the handling of funds in the AFP."

Maceda said he talked with one PC [Philippine Constabulary] company commander in the Southern Luzon Command [SOLCOM] who admitted receiving "jueteng payola" [gambling payoff] because money coming from the Armed Forces headquarters in Manila arrived too late or does not arrive at all.

"That (discontent over the handling of funds) can be concretely demonstrated by the conversation I had with a PC company commander in SOLCOM. I asked him why he was collecting or receiving jueteng payoffs.

"His immediate response to me was "Sir, that is our MOOE (maintenance and other operating expenses)". I asked what happened to his MOOE and he replied that either he does not receive it or he receives it very late, if at all," Maceda related to newsmen.

Maceda, whose exposes on graft and corruption in the military irked top military officials, said "immediate improvements" should be made on the promotions policy and the handling of funds in the military to forestall another coup attempt.

According to Maceda the estimated number of forces involved in the putsch ranged from 20,000 to 25,000 soldiers.

He said most of the soldiers were ready to join the rebels at the start of the coup attempt when the tide of battle was in favor of the mutineers.

He said the involvement of so many soldiers in the putsch showed that "there has got to be deeper causes than are being admitted in paper."

Coup Blamed for Lag in Anticommunist Drive

HK2201101390 Quezon City MALAYA in English 21 Jan 90 p 2

[By Nestor Arellano]

[Text] The military blames the December coup attempt, even though it happened only in the last month of 1989, for causing the Armed Forces to fall short of dismantling 18 priority communist fronts last year.

Reports prepared by the Combat Research Department (CRD) of the AFP [Armed Forces of the Philippines] Operatons Division (J-3) said that only 14 New People's Army guerrilla fronts were destroyed by the military in 1989.

The report also said the temporary pullout of government troops from rebel-infested areas to reinforce loyal security forces in Metro Manila during the coup allowed NPAs [New People's Army] to regain lost ground and launch counter-attacks on the AFP.

But Brig Gen Lisandro Abadia, AFP deputy chief of staff for operations, said the AFP is confident it will regain its momentum against the rebels this year and crush the remaining four guerrilla fronts within the next three months.

"We're a little behind schedule but we're recovering now and we can still meet the deadline. We can still achieve victory in two years' time."

The Lambat Bitag [Operating Dragnet], the AFP general campaign against the insurgency, has set 1990 as deadline for the dismantling of 20 guerrilla fronts.

The communist movement has about 60 guerrilla fronts in 60 provinces nationwide. The military intends to destroy at least 60 percent of these before the end of President Aquino's terms in 1992.

At the height of the communist insurgency, the NPAs had about 75 fronts nationwide.

This was cut down to 61 by the end of December 1988.

The number, according to military records, was further reduced to 47 with five fronts on the verge of collapse by December last year.

The AFP claims the CPP-[Communist Party of the Philippines] NPA is losing its mass support forcing them to dissolve large combat units.

One company-sized guerrilla unit in Samar was reported to have been disbanded because of lack of weapons, supplies and manpower, the AFP said.

Samar has the most advanced stage of communist insurgency with NPA operating a battalion-sized unit against government troops.

Senator Claims Communism 'On the Wane'

HK2201102790 Manila MANILA BULLETIN in English 21 Jan 90 p 8

[Text] Communism as an ideology is on the wane, Senate Majority Floor Leader Teofisto Guingona, Jr said yesterday.

Guingona said the rapid political changes in Eastern Europe where most of the powerful communist governments have rejected the practicality of communism and are adopting the democratic form of government supports his view.

"The (local) leftist rebellion in waning. It no longer has international support," Guingona said. He, however, did not say whether or ot there will be an actual scaling down in the activities of local communists.

The number three Senate leader was referring to the fund-mission in Europe by Filipino leftists led by Jose Maria Sison, founder of the Communist Party of the Philippines (CPP), and other leaders of the pro-left National Democratic Front (NDF).

Guingona said the momentum in Eastern Europe has become "irreversible" despite a possible ouster of Soviet Secretary General Mikhail Gorbachev who triggered the democratization of the communist governments.

Sen Ernesto M. Maceda, chairman of the Senate national defense and security committee, held an opposite view.

Maceda said that the attention of the national government in going after or identifying the Dec 1 attempted coup plotters, participants and symphatizers has allowed insurgents to mount ambuscades that have telling propaganda effect.

Guingona made the assessment to Senate reporters, adding as tenuous assumptions that the eventual pull out of American military bases in the Philippines will strengthen the CPP-NDF-New People's Army (NPA).

A visiting American official, meanwhile, has expressed optimism over the success and early conclusion of the bases negotiations in Manila.

Rep Jim Kolbe, member of the Appropriations Committee of the House of the Representatives and Sub-Committee of the House responsible for military bases in the U.S. and other countries, said the strategic location of the U.S. bases in the country is not only conducive to military training, but also to the deployment of fleet and troops to the Pacific and Indian Oceans.

"The (leftist) rebels fight for or joined the NPA because of poverty and injustice done to them. Not so much for ideology anymore," Guingona said.

Communists Allegedly Meet With North Koreans

HK2401103190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Jan 90

[Text] The military today revealed an existing agreement between the Communist Party of the Philippines-New People's Army [CPP-NPA] and its Korean counterpart, the Korean Workers' Party, adding that the two sides have exchanged information and weapons in a bid to strengthen their respective movements.

According to documents confiscated from escaped rebel leader Wilma Austria Tiamzon, the military discovered that the local communist movement established contact with the Korean Workers' Party [KWP] in North Korea in 1986, with the first party-to-party talks taking place in that country from 26 September to 9 October 1986. The CPP-NPA reportedly sent one Sixto Carlos to the talks, while the Korean side was represented by Ho Tam, an alternate member of the KWP Politburo. In a second meeting, the CPP-NPA was represented by chairman Jose Maria Sison and NPA chief of staff Romulo Kintanar.

The two sides discussed important issues, including U.S. military bases in the Philippines, the CPP-NPA alliance with the Moro National Liberation Front, and the purchase of arms for the communist movement. They also tackled the question of how the KWP can send arms to the CPP in the Philippines.

However, it was learned that the KWP is still studying a CPP request for production of ammunitions for M-79 grenade launchers, as well as its demand for financial assistance. The KWP reportedly cannot offer immediate financial assistance at the moment because of technical and financial problems confronting the North Koreans.

Communist Fronts Operating in Cotabato Region

HK2301102790 Manila Radio Veritas in Tagalog 0900 GMT 23 Jan 90

[By Nene Montano of DZCP General Santos City]

[Text] Three guerrilla units belonging to the Communist Party of the Philippines-New People's Army [CPP-NPA] are being closely monitored by the military in Southern Cotabato. This was announced by Lieutenant Colonel Jose Lalisa Jr, Philippine Constabulary-Integrated National Police regional commander, at a press conference held in his office.

According to Lalisa, guerrilla Front 71 covers the areas of Alabel, Malapatan, Glan and parts of Malungon, while Front 72 covers Tantangan, Koronadal, Tampakan, Tupi, Polomolok, and parts of Malungon. On the other hand, Front 73 comprises Kiamba, Maasin, Maitum, Lake Cebu, Tboli, Banga, Surallah, Santo Nino, Koronadal, General Santos City, and parts of southern Cotabato, which the CPP-NPA calls the area of responsibility of [word indistinct].

Lalisa revealed that the activities of the rebels at the moment are concentrated in expansion and collection of taxes from the people of Southern Cotabato. He added that based on the latest report reaching them, it was learned that Commander Rizal, former commander operating around Mount Apo, has joined Front 72 under orders of the newly elected commander of the CPP-NPA rebels, who is known as Menardo Arcis, who operates in the areas near North Cotabato. Colonel Lalisa also said that the rebels have been subject to close surveillance by the elements of the 601st Infantry Brigade based in Polatanak, Malungon, South Cotabato.

NPA Sympathizers Surrender; Fighting Reported

HK2201031190 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 21 Jan 90

[Text] The military yesterday reported that at least five people, one of them a foreigner, were killed in separate rebels' atrocities in the Vizayas and Mindanao during the past 96 hours.

PC-INP [Philippine Constabulary-Integrated National Police] Chief Major General Ramon Montano said the outburst of violence occurred in Maguindanao, Basila, Negros Oriental, and Cebu. At the same time, Montano announced that 28 New People's Army [NPA] supporters and sympathizers surrendered last Wednesday to PC authorities in the hinterland of Pucay, Cagayan. The village people told PC authorities that they could no longer stand the forced taxation of the NPA.

500,000 Said Displaced by 'Total War' Policy

HK1801044590 Manila PHILIPPINE DAILY INQUIRER in English 18 Jan 90 p 11

[By Roy S. de Guzman]

[Text] A congressman from the South yesterday claimed that more than 500,000 civilians have been forced out of their homes since President Aquino declared a "total war" policy against communist rebels two years ago.

Rep. Gregorio Andolana (LDP [Struggle of Philippine Democrats], North Cotabato), who heads the House subcommittee on the assistance to victims of human rights violations, said the massive displacement of civilians took place "in a magnitude never seen before since the Japanese occupation."

In a formal report he had prepared for his colleagues in the House, Andolana said a total of 503,202 persons have become virtual refugees—caught in the crossfire of the fight between the rebels and government soldiers—in the years 1988 and 1989 alone.

He said the evacuation and uprooting of civilians from their houses was recorded in at least 39 of 67 provinces monitored by non-governmental groups assisting civilian victims of the war. He said the worst case of displacement was last year's evacuation of 45,000 people in southern Negros to town centers after the military

launched "Operation Thunderbolt" aimed at flushing out New People's Army guerillas from their mountain lairs. As a result of poor living conditions in the evacuation camps, 319 children died from measles, cholera, malnutrition and other diseases.

But Andolana said the military remains concentrated in Mindanao, where he claimed that 37 army battalions are locked up in a protracted war with an estimated 8,000 communist rebels and an equal number of armed Muslim secessionists.

Andolana—who won his seat in Congress under the banner of the left-wing Partido ng bayan [People's Party] but who later joined the pro-administration Laban ng Demokratikong Pilipino [LDP] party—said President Aquino should review the government's overall military policy against the rebels.

He said one possible step that Ms. Aquino can take, in order not to worsen the "already-grave" national refugee situation, is to order a moratorium on all air strikes and ground bombing operations. He likewise criticized the Armed Forces, which he blamed for the increasing fight of civilian refugees.

"Civilian displacement has graduated from being an ugly effect of the war to a war tactic itself," the congressman said. Andolana noted that since communist and Moro rebels can intermingle freely with civilians, the military has unofficially adopted as a tactic the forcible withdrawal of civilians from the conflict area before launching an operation. The place is then declared a "free-fire zone" or "no man's land." However, the congressman said the civilians eventually end up the victims of the war, with the military failing to provide them arrangements for temporary housing, food and medical services.

A leader of the so-called "progressive bloc" in the House, Andolana said he plans to rally his colleagues to press for change in this particular aspect of the government's drive against local insurgents.

Military Chief Denies Threat to Chain of Command

HK2201103390 Manila Radio Veritas in Tagalog 0900 GMT 22 Jan 90

[By Jonathan Cristobal from Camp Aguinaldo]

[Text] Contrary to press reports, the military dismissed threats to the chain of command within the Armed Forces, adding that such a possibility was remote, as all military commanders in the Armed Forces' chain of command have sworn to remain loyal to their duties. This was stressed by Brigadier General Lisandro Abadia, chief of the AFP [Armed Forces of the Philippines] joint staff for operations in an exclusive interview with Radio Veritas at his headquarters inside Camp Aguinaldo.

Abadia shrugged off reports of a coup within the chain of command, in which orders by President Aquino to crush a new coup will be ignored by military commanders. It is speculated that the military commanders will side with the rebel soldiers.

Abadia described the reports as part of the misinformation campaign being conducted by the Reform the Armed Forces Movement-Soldiers of the Filipino People Alliance. He pointed out that the campaign was an attempt to split the Armed Forces by undermining the military's chain of command. Abadia also said that the enemies intended to confuse the ordinary soldiers and their commanders.

However, Abadia claimed that the military's chain of command is stronger than ever, and each military commander is made to take an oath of allegiance to the Constitution, the chain of command, and the duly constituted authorities, in accordance with a policy guidance of AFP Chief of Staff General Renato de Villa.

[Begin Abadia recording in English] This is a disinformation from the other side, but the chain of command is identifiable from Secretary Ramos down to General de Villa and the chiefs of the major services. Everybody has made public his commitment to defend the Constitution, the duly constituted authorities, and the chain of command. That is the policy of General de Villa. All commanders now, down to the battalion commander, must state in unequivocal terms their commitment to the government before the media. We are pledged to defend the Constitution, the duly constituted authorities, and the chain of command. That is the policy. [end recording]

That was AFP deputy chief for operations General Lisandro Abadia.

Military Favors Strengthening of Civilian Groups

HK2201121590 Quezon City Sports Radio 738 in English 1100 GMT 22 Jan 90

[Text] Military authorities are in favor of strengthening the civilian institutions of the government which were weakened by the martial law regime of the late President Marcos. The military position was discussed during a military briefing with some members of Congress. Among those present who expounded on the military position were AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa, NCRDC [National Capital Region Defense Command] Chief Brigadier General Rodolfo Biazon, and PMA [Philippine Military Academy] Superintendent Brigadier General Arturo Enrile. Jojo Ismael tells us more:

[Begin recording] During the said military briefing, the three generals admitted that government-civilian institutions were weakened by the 21 years of Marcos' tyrannical era. The legislature, the judiciary, and the local government units were under the dictatorial whims of the people in Malacanang from the period of 1965 to 1986, the generals told the Senate headed by Salonga.

The military leaders cited the case of overstaying generals, which included the 16 years of assignment of General Romeo Espino as Marcos' AFP chief of staff, who had [word indistinct] many junior officers and eventually brought the formation of the Reform the Armed Forces Movement [RAM]. However, De Villa, Enrile, and Biazon made it clear that the existing RAM is already different from the original RAM. [end recording]

Rebel Soldiers Infiltrate Radio Frequency

HK2201104590 Manila MANILA BULLETIN in English 19 Jan 90 p 19

[Text] Baguio City—Defense Secretary Fidel V. Ramos ordered all military field commanders yesterday to double-check orders issued through radio following reports that rebels soldiers have infiltrated the military's radio frequency.

In a meeting with officers and men of the Cordillera regional command under Brig Gen Juanito Aquias, the defense chief ordered through verification of messages to prevent unauthorized movements of troops.

"The rebel soldiers have been using misinformation tactics to get support from loyal troops," Ramos said.

Brig Gen Arturo Enrile, Philippine military academy superintendent, said that he himself was victimized recently when he received an order to send troops to Malacanang.

But after verification, Enrile said, he discovered that the message was fake and the callers had only used the names of Ramos and Armed Forces chief of staff Gen Renato de Villa.

Defense Undersecretary Eduardo Ermita disclosed during a briefing with regional peace and order council members here that while a fresh coup attempt is unlikely at this point, rebels troops have a limited capability to mount commando-type raids and sabotage operations.

Ermita said that about 300 rebels soldiers and a significant numbr of firearms remain unaccounted for.

Agreement on Frequencies Signed

HK2301053790 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 23 Jan 90

[Text] The National Telecommunications Commission [NTC] and the Philippine Constabulary-Integrated National Police signed a memorandum of agreement on the orderly use of the frequency system to enhance national security. Signatory of the memorandum was NTC officer-in-charge Josefina Lichauco. She said the government is forced to provide closer coordination and cooperation on efforts between two agencies for the effective enforcement of radio laws and regulations. Lichauco noted that there exists a rampant proliferation and animated use of unlicensed radio tranceivers, transmitted in unlawful extension of the use of radio licenses by franchised operators guaranteed to other [word indistinct] users.

Detained Rebels Protest 'Inhuman Treatment'

HK2001091990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Jan 90

[Text] Rebel soldiers being detained at Camp Crame have staged a silent protest against what they described as inhuman treatment by detention cell authorities. Led by rebel officer Colonel Tiburcio Fusillero, they refused their food rations to protest against the Philippine Constabulary [PC] authorities. The food rations, wrapped in plastic bags, were hung outside the rebels' cells. Banners bearing slogans against inhuman treatment were also seen inside the detention cells.

However, PC-INP [Integrated National Police] stockade authorities claimed that the rebel soldiers' complaints were groundless, adding that the detainees were accorded excellent treatment.

Libya Not To Support MNLF Bid To Join Group

HK2301100990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jan 90

[Excerpt] The Libyan ambassador to Manila has assured the Department of Foreign Affairs that his country will not support the Moro National Liberation Front's [MNLF] application to become a member of the Islamic Conference Organization [ICO]. At the same time, Salem Adem asked the Philippine Government to oppose U.S. sanctions against Libya. [passage omitted]

Enrile Wants NBI Director Lim Investigated

HK2301101390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jan 90

[Text] Senator Juan Ponce Enrile has asked the Justice Department to investigate National Bureau of Investigation [NBI] director Alfredo Lim for hiding some important documents concerned with Enrile's witnesses. According to the opposition senator, there are two Silahis Hotel employees who told the NBI that former Colonel Gringo Honasan was not in his house on 1 December. Lim, however, has not shown this document to the Justice Department's panel of investigators.

Authorities Arrest Honasan's Personal Pilot

HK1901064590 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 19 Jan 90

[Text] Authorities have arrested another person suspected of involvement in the August 1987 coup. Rogelio Seradoy was captured at 0630 today in a village at Villamor Air Base while riding in a private jeep. Air

Force Chief Jose de Leon said that Seradoy was renegade Army Colonel Gringo Honasan's pilot during the August 1987 coup attempt.

[Begin De Leon recording in English] [Words indistinct] in the investigation that we had so far, he was the pilot of Gringo Honasan during the August 1987 coup attempt. And his case was under trial when the December coup attempt happened and when he disappeared. His case is not yet finished. So, right now the case will continue. [end recording]

Group Calls for Ouster of Laurel, Enrile

HK1801092490 Manila PHILIPPINE DAILY GLOBE in English 17 Jan 90 p 6

[By correspondent Mar-Vic Cagurangan]

[Text] The People's Watch in Defense of Democracy, a network of some 50 nationwide civic organizations, urged yesterday the impeachment of Vice President Salvador Laurel and the expulsion of Senate Minority Leader Juan Ponce Enrile who are suspected of supporting the December coup attempt.

The group also called for resignation of Trade and Industry Secretary Jose Concepcion Jr. to enable President Aquino to appoint a new trade secretary who can respond to the country's economic crisis.

The group said the DTI [Department of Trade and Industry] should be headed by someone who could respond to the crises in transportation, high deficit in the balance of payments caused by the import liberalization program, and cartels in rice and other grains. The group also cited Concepcion's conflict of interest because of his family's involvement in major businesses in the country.

Rolando Librojo, one of the organizers of the two-week-old network, said the People's Watch is also conducting its own investigation of the December coup attempt.

The People's Watch network, which includes the August Twenty-one Movement (ATOM) and BANDILA, [People's Unity in Spirit and Aim] seeks to harness the people's democratic sentiments by mobilizing them to participate in different forms of action for the protection and promotion of democracy.

Librojo said the People's Watch will also campaign for the immediate arrest of Cagayan Governor Rodolfo Aguinaldo who publicly expressed support for the rebels during the height of the coup.

Comelec Names Poll Hot Spots in Mindanao

HK2201043090 Manila MANILA BULLETIN in English 22 Jan 90 pp 1, 49

[By E.T. Suarez]

[Excerpt] About 23 towns and 150 barangays are probable hot spots in the coming Feb. 17 first regular elections of regional governor, vice governor and members of the regional assembly for the autonomous region in Muslim Mindanao composed of Lanao del Sur, Maguindanao, Sulu, and Tawi-Tawi.

A military report to the Commission on Elections (Comelec) showed that 18 of the 23 towns where the peace and order situation could go from critical to very critical as election day nears are in Sulu while five are in Tawi-Tawi.

Of the 160 barangays where the situation is expected to become critical when the campaign drive by candidates heats up, 145 are in Sulu and 15 are in Tawi-Tawi.

The lists of probable hot spots in Lanao del Sur and Maguindanao have yet to be submitted to the Comelec.

Some of the towns in Sulu where the peace and order situation is expected to become highly critical are Indanan, K. Caluang, Maimbung, Parang, Patikul, Siasi, Talipao and Tongkil, while probable hot spots in Tawi-Tawi are Bongao, Simunul, Balimbing, and Tandubas.

These towns in Sulu and Tawi-Tawi were also included in the list of probable hot spots submitted to the Comelec by Col. Roger H. Deinla, Recom [Regional Command] 9 commander based in Zamboanga City in connection with the last Nov. 19 plebiscite on the creation of the autonomous region in Muslim Mindanao.

The strongholds of the Moro National Liberation Front (MNLF) are said to be in Indanan, Parang, and Maimbung in Sulu and in Bongao, Simunul, Balimbing and Tandubas in Tawi-Tawi.

Rep. Alawadin Bandon Jr. (LDP [Struggle of Philippine Democrats], Tawi-Tawi) and Comelec acting chairman Haydee Yorac admitted the possibility of violence in the Feb. 17 elections in the autonomous region, pointing out that unlike in the Nov. 19, 1989 plebiscite where the people voted on issues, the presence of candidates in the coming political exercise could make the peace and order situation critical.

The heated campaign by candidates could generate political tension that could ripen into violence, Bandon said.

Yorac and Bandon expressed hope, however, that the AFP [Armed Forces of the Philippines] and other government agencies deputized by the Comelec to make the Feb. 17 regional election clean, orderly and credible will be able to handle the situation.

The AFP Southern Command (Southcom) under Brig. Gen. Guillermo Flores has launched "Operation Hope" to protect the integrity of the Feb. 17 election, insure the safety of public elementary school teachers deputized for poll duties, and provide security to polling places to prevent harassment and intimidation of voters.

"Operation Hope" involves elements of the Constabulary commands in Regions 9 and 12, the Army's 1st, 4th and 6th Infantry Divisions, 3rd Air Division based in Zamboanga City, 6th Naval District Command and the Philippine Marines. [passage omitted]

New Members of Manila Force Begin Training

HK2001064790 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 20 Jan 90

[Text] Training for 500 members of the newly created Metro Manila Crusaders for Peace and Democracy began today at the Metropolitan Police Field Force Headquarters in Fort Bonifacio and is expected to last 45 days. The training will include psychological warfare, martial arts, collection of intelligence information, and combat shooting. However, Colonel Romeo Maganto, chief of the Metropolitan Police Field Force, stressed that participants in the training will not be issued with guns, although they are being trained in combat shooting. After training, the participants will be deployed to help the police and the military in the counterinsurgency campaign in urban areas.

Vietnam

Anniversary of SRV-PRC Diplomatic Ties Marked

OW1901151790 Hanoi International Service in Mandarin 1200 GMT 19 Jan 90

[Text] On the occasion of the 40th anniversary of the establishment of diplomatic relations between Vietnam and China, Vietnamese Ambassador to China Nguyen Minh Phuong and Chinese Ambassador to Vietnam Zhang Dewei hosted a reception in Hanoi and Beijing, respectively, on 18 January to mark this important day.

In Hanoi, Vietnamese Foreign Minister Nguyen Co Thach and other diplomats attended the reception.

Qi Huaiyuan, China's vice foreign minister; Liu Shuqing, director of the State Council Foreign Affairs Office; and representatives of relevant departments attended the reception in Beijing. In addition to this, the Vietnamese Federation for Peace, Unity, and Friendship and the Vietnamese-Chinese Friendship Society also sponsored a tea to mark the 40th anniversary of SRV-PRC diplomatic relations and to celebrate the Vietnamese and Chinese Spring Festival.

Zhang Dewei, Chinese ambassador to Vietnam, Mrs Zhang, and other Chinese diplomats attended the tea on invitation.

U.S. Charity Society To Give Financial Aid

BK2201160190 Hanoi VNA in English 1523 GMT 22 Jan 90

[Text] Hanoi VNA Jan. 22—A memorandum was signed here today under which the American Medical Help for Vietnam Society in Florida, USA, will give consultative and financial assistance to the Vietnamese charity association "Hearts of Gold" (GOHECA).

The non-governmental American society will help GOHECA launch fund raising activities in Vietnam by placing contribution boxes at the airports and tourist hotels and print and distribute brochures in English to explain GOHECA's cause. It will also help the Vietnamese association establish contacts with other non-governmental organisations in the USA, Belgium and France.

Signatories were Nguyen Dang Quang, president of GOHECA and Ho Thi Quang, president of the American Medical Help for Vietnam.

The same day, Milo Zoten, a representative of charity organization "Terres des Hommes" in the Federal Republic of Germany, visited GOHECA office here to explore possibilities for future cooperation between the two organisations.

Politico-Military Institute Marks Lao Army Day

BK2001084590 Hanoi VNA in English 0715 GMT 20 Jan 90

[Text] Hanoi VNA January 20—A meeting was held at the Political and Military Institute on Jan. 18 to mark the 41st founding anniversary of the Lao People's Army (Jan. 20).

It was attended by Lt-Gen. Le Xuan Luu, head of the institute, Lao Ambassador Bouasi Chaleunsouk, and Colonel Phommachak Southisan, Lao military attache.

Speaking at the meeting, Gen. Le Xuan Luu praised the Lao Army's victories in construction and defence, and affirmed the Vietnamese people and Army's solidarity and all-round cooperation with the people and Army of Laos.

For his part, Colonel Phommachak Southisan expressed profound gratitude to Vietnam for its assistance to the Lao people and Army in their national liberation in the past as well as in national construction and defence at present.

Nghe Tinh Transport Helps Laos Export Timber

BK2001161190 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Jan 90

[Text] In 1985, the Lao Government decided to export timber to the east in accordance with an agreement signed between Vietnam and Laos. The Nghe Tinh River-Sea Transport Corporation has since played a leading role in transporting timber via Cua Lo and Son Hai ports. During the 5-year operation, the volume of transportation has increased constantly, from 10,000 cubic meters in 1985 to 30,000 cubic meters in 1989. The corporation overfulfilled the 1989 plan 1 month ahead of schedule. The specific weight of export timber transported from Laos by the corporation accounted for 25 percent of its volume of gross output.

Apart from helping Laos export timber via Vietnam, in 1989 the Nghe Tinh River-Sea Transport Corporation sent experienced technicians to assist their Lao friends in satisfactorily operating vessel "Vien Duong"—Laos' only large vessel.

The Lao side has highly valued the operational results of the Nghe Tinh River-Sea Transport Corporation and created favorable conditions for it to fulfill the plan for the export of timber via Vietnam in 1990.

Do Muoi Chairs Meeting on 45th CEMA Session

BK2301140790 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Jan 90

[Text] The Standing Committee of the Council of Ministers met on 22 January under the chairmanship of Do Muoi to hear a report by the Vietnamese delegation led by Vo Van Kiet, first vice chairman of the Council of Ministers, to the 45th CEMA session held in Sofia on 9 and 10 January.

The Standing Committee agreed with the CEMA session's resolution on the need to radically change the organization and operations of CEMA in the period ahead and approved of the setting up of a special committee to draft plans for CEMA restructuring. The Standing Committee also approved of the Vietnamese delegation's activities at the session. It entrusted the Vietnamese agencies concerned with the task of actively participating in studying and implementing the resolutions of the 45th CEMA session.

Paper Reviews Relations With Socialist Nations

BK2401072090 Hanoi Domestic Service in Vietnamese 1430 GMT 22 Jan 90

[QUAN DOI NHAN DAN 22 January Editorial: "An Important Landmark in the Relations Between Vietnam and Socialist Countries"]

[Text] The fact that Vietnam, 40 years ago, established official diplomatic relations with China, the USSR, the Democratic People's Republic of Korea, Czechoslovakia, the German Democratic Republic, Romania, Hungary, Poland, Bulgaria, and Albania is of great significance to the Vietnamese revolutionary cause. It has contributed to strengthening the power of the socialist community in the common struggle for peace, cooperation, development, and social progress.

The Vietnamese people and armed forces have always realized that all victories scored by them in various stages of the struggle for national liberation and for building and defending the fatherland during the past 4 decades were closely linked to the great, effective assistance provided by the Soviet party, government, and people as well as by other fraternal socialist nations. These victories have also contributed positively to consolidating and strengthening the friendship and solidarity of the socialist community and the world revolutionary movement.

After the success of the August Revolution, the Democratic Republic of Vietnam—the first worker-peasant state in Southeast Asia and a member of the socialist community—came into being. The colonialist and imperialist forces, at this stage, tried by all means to reimpose their ruling over Vietnam. However, during this difficult and complicated period, China, the USSR, and other socialist countries quickly recognized the State of Democratic Republic of Vietnam and gradually established official diplomatic relations with this nation. This event testified to the legal existence of a nascent republic, founded and led by President Ho Chi Minh. It was also a recognition of position and prestige of the new Vietnamese nation—an independent and free country—in the international arena.

After the historic victory of Dien Bien Phu, Vietnam concentrated its efforts on restoring peace in the north. The USSR, China, and other socialist countries continued their great assistance to Vietnam to help it overcome the consequences of war, restore and build its economy, engage in socialist construction in the North and carry out national democratic revolution in the South for the reunification of the nation.

During the period when Vietnam fought the fierce, aggressive war waged by the U.S. imperialists, its relations with fraternal socialist countries were unprecedentedly strengthened. We are still moved at recalling the special sentiments given to Vietnam by our fraternal comrades through various campaigns such as blood donations, the communist labor Saturdays, and shipments of aid to us through battlefields and the enemy's encirclement during the most difficult days. For the sake of justice and the just cause, the socialist countries closely coordinated with Vietnam in various activities and strongly supported Vietnam in the international arena. These are the valuable gifts supporting our material and spiritual life which we have kept with gratitude during the protracted struggle, in our final victory, as well as at present and in the future.

The relations between Vietnam and the USSR and other socialist nations have been consistently consolidated and strengthened through a series of bilateral and mutilateral agreements in various aspects and through treaties of friendship and cooperation.

We have always remembered the sentimental activities organized by friendship with Vietnam associations in socialist countries during our protracted struggle and in our present national construction and defense.

We recall these important events at a time when there are profound, complicated changes in the international situation. Almost all socialist countries have carried out reform, restructuring, and renovation in the political, economic, and social domains, while striving to maintain and preserve the traditional fine relations and fulfill their commitments stipulated in signed agreements.

These socialist nations have also advocated changes in the bilateral and multilateral relations to suit the general development trend.

With traditional relations undergoing many historic stages, the Vietnamese people and armed forces wish to consolidate and strengthen friendship and cooperation with the USSR and other socialist nations on the basis of equality, of respect for each other's independence and sovereignty, of mutual benefit, of each nation's interests, as well as of peace, national independence, democracy, and socialism.

We are confident that the people of socialist nations will step by step overcome their immediate difficulties and ordeals in their current reform, restructuring, and renovation, thereby leading their countries toward achieving progress, prosperity, and happiness.

Indian Consulate Opened in Ho Chi Minh City

BK1701085790 Hanoi VNA in English 0703 GMT 17 Jan 90

[Text] Hanoi VNA January 17—An Indian general consulate was inaugurated in Ho Chi Minh City on Jan. 16 with Harshvardhana Shringla as the general consul.

Speaking at the inaugural ceremony, the visiting additional secretary of the Indian Ministry of Foreign Affairs, C. Dasgupta, hailed the establishment of the general consulate in the city as an expression of the development of the traditional friendship between the two countries.

Also present at the ceremony were Nguyen Vinh Nghiep, mayor of the city, and J.C. Sharma, the Indian ambassador to Vietnam.

Physicians Decorated With Soviet Order

BK2001155590 Hanoi VNA in English 1442 GMT 20 Jan 90

[Text] Hanoi VNA Jan. 20—Five Vietnamese physicians who took part in relief activities to help earthquake victims in Armenia, the Soviet Union in 1988, were awarded the Soviet Order of "Bravery."

Accredited by the Supreme Soviet of the USSR, Soviet Ambassador to Vietnam D.I. Kachin presented at a ceremony held here this morning the order to physicians Nguyen Khanh Du, Nguyen Quang Long, Pham Duy Nhac, Bui Chu Hoanh and Tran Xuan Van, and highly valued their active contributions to helping the victims.

Minister of Public Health Pham Song, representatives of the Foreign Ministry, the External Relations Commission of the Communist Party of Vietnam Central Committee, and staff members of the Soviet Embassy were present.

Ambassador Kachin expressed sincere thanks to the Vietnamese party, government and people for their sentiments and assistance to the quake victims.

Nguyen Khanh Addresses Overseas Vietnamese

BK2001143490 Hanoi Domestic Service in Vietnamese 1430 GMT 19 Jan 90

[Text] This afternoon, 19 January, in Hanoi the party Central Committee Overseas Vietnamese Department held a friendly get-together with many overseas Vietnamese from France, Britain, the United States, Canada, the Federal Republic of Germany, Japan, Thailand, Laos, the German Democratic Republic, and the Soviet Union.

Also present at the get-together were Vice Chairman of the Council of Ministers Nguyen Khanh and representatives of the Vietnam Fatherland Front Central Committee, the Ministry of Foreign Affairs, the Ministry of External Economic Relations, the Hanoi People's Committee, and organs and sectors at the central level and in some localities.

With warm feelings toward their homeland, last year our overseas Vietnamese donated nearly 500 million dong as relief to victims of natural disasters. Many businessmen contributed both effort and material wealth to various cooperation or investment programs, with a total capital of more than $5 million. Many brother and sister intellectuals returned to work in the country with significant contributions.

Addressing the get-together, Vice Chairman of the Council of Ministers Nguyen Khanh expressed the hope that these compatriots will celebrate the Tet [traditional lunar] festival jubilantly, enthusiastically, and economically, and will contribute more positively to the process of national construction.

Le Quang Dao Attends Hanoi Award Ceremony

BK2301102790 Hanoi Domestic Service in Vietnamese 1100 GMT 22 Jan 90

[Text] The Vietnam Fatherland Front [VFF] Central Committee on 22 January held a ceremony in Hanoi to award All-People Great Unity Medals to cadres who have done meritorious service to strengthen the national great unity bloc.

Attending the function were members of the VFF presidium and secretariat, many personages and intellectuals, and representatives of the overseas Vietnamese delegation currently visiting Vietnam. Lawyer Phan Anh, deputy chairman of the VFF presidium, conferred the All-People Great Unity Medals on the awardees.

In a warm atmosphere welcoming the Canh Ngo [Year of the Horse] New Year, lawyer Phan Anh and National Assembly Chairman Le Quang Dao delivered speeches stressing the significance of the all-people great unity cause, which was strengthened and fostered by Uncle Ho 60 years ago. They also extended congratulations to the awardees and best wishes to all participants on the occasion of the new year.

Directive on Budget Contributions Issued

BK2401063190 Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jan 90

[Text] On 19 January the Council of Ministers chairman issued a directive on further action to be taken against state economic units lagging behind in making budget contributions. The text of the directive follows:

To guarantee scrupulous implementation of the resolution adopted by the Eighth National Assembly at its sixth session on adequate collection of budget contributions, the Council of Ministers chairman has issued the following directive:

1. State economic units herein called units are dutybound to turn in their budget contributions as scheduled and in due amounts in accordance with existing regulations.

2. Financial organs at all levels must constantly monitor state economic units' production and business operations and other activities. Steps must be taken to conduct inspection tours and motivate state economic units to satisfactorily fulfill their obligation to the state budget.

3. Regarding those units which fail to seriously comply with regulations on budget contributions, the following measures must be taken:
a. Late contributions shall be subjected to fines to be computed according to the percentage of late payment amounts and deducted from the enterprises' funds. The fine rates, which must be higher than the interest rates for time deposit savings accounts, shall be set by the Ministry of Finance.
b. Financial organs are responsible for issuing collection orders and banks are dutybound to implement these orders by making deductions from the savings accounts of the units involved and then transferring them to the state budget. If the banks are late in executing the financial organs' collection orders, then they will have to pay a fine as stipulated under the abovementioned Clause a.

4. Ministries; state commissions; agencies subordinate to the Council of Ministers; and provincial, city, and special sector people's committees directly subordinate to the central echelon are responsible for organizing the implementation of this directive. The minister of finance is responsible for working out the details needed for the implementation of this directive.

Nguyen Van Linh Visits Ho Chi Minh City

BK2401074390 Hanoi VNA in English 0716 GMT 24 Jan 90

[Text] Hanoi VNA Jan. 24—On the occasion of the Lunar New Year festival, on the morning of Jan. 20, party General Secretary Nguyen Van Linh attended a get-together of veteran revolutionaries and representatives of families which have rendered meritorious services to the revolution in the suburbs of former Saigon, now Ho Chi Minh City. The party general secretary recalled the courageous and moving deed of the people in the region in protecting party cadres operating underground under the enemy's harsh control. He said:

"Experiences in revolutionary struggle from the 'Nghe Tinh Soviet' uprising and the Nam Ky insurrection to the protracted resistance wars have demonstrated the great strength and absolute loyalty of our people. The party is the leader, but the force of the revolution stems from the people. Without the people, the party can do nothing."

On behalf of the participants, To Ky, a retired minister, said :

"All revolutionary veterans and families who have rendered meritorious services to the revolution and the people as a whole are always behind the party. No obstacle can prevent the advance of the Vietnamese revolution to the objective set by Uncle Ho, that is to make socialism prevail in Vietnam."

Also on this occasion, on Jan. 23 Vo Chi Cong, member of the Political Bureau and president of the State Council, called on several gatherings of the party committee, people, the armed forces and people's security forces in Hanoi.

Vo Chi Cong Pays New Year Visit to Hanoi

BK2401071590 Hanoi Domestic Service in Vietnamese 2300 GMT 23 Jan 90

[Text] On the occasion of the traditional Tet [traditional lunar] festival, on 23 January 1990, Comrade Vo Chi Cong, member of the party Central Committee Political Bureau and chairman of the Council of State, paid a Tet visit to the party organization, people, armed forces, and people's security forces in Hanoi. Comrade Vo Chi Cong attended a Tet get-together of the Hanoi party organization and people at Ba Dinh District. The spring get-together took place in a cordial atmosphere filled with the close relationship between the party and people.

Addressing the participants on this occasion, Chairman Vo Chi Cong warmly commended the Hanoi party organization and people for their efforts and achievements in 1989, regarding their past performance as a worthy contribution to the implementation of the sixth party congress resolution.

Chairman Vo Chi Cong expressed the hope that in 1990, Hanoi would strive to become a pace-setting locality of the renovation undertaken nationwide and that Ba Dinh would make the same efforts to become one of the typical districts taking the lead in Hanoi's ongoing renovation undertaking.

On the same day, Council of State Chairman Vo Chi Cong paid a Tet visit to cadres and combatants of the Hanoi Capital Military Command and cadres and personnel of the Hanoi City public security service.

Pham Van Dong Visits Central Provinces

BK2401052190 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Jan 90

[Text] On the occasion of the New Year, in January Comrade Pham Van Dong, adviser to the Communist Party of Vietnam [CPV] Central Committee, visited the party organizations and people of Binh Dinh, Quang Ngai, and Quang Nam-Da Nang Provinces. In their separate working sessions with Comrade Pham Van Dong, Comrades Nguyen Trung Tin, Do Quang Thang, and Nguyen Van Chi—secretaries of the party committees of Binh Dinh, Quang Ngai, and Quang Nam-Da Nang respectively—and other party organization and administrative leaders of these three provinces briefed the comrade adviser on the achievements recorded in various aspects by the local party organizations and people during the 3-year implementation of the Sixth Party Congress resolution under the spirit of renovation, as well as on the orientations and tasks for socioeconomic development in 1990.

Comrade Pham Van Dong called on the family of Mrs Pham Thi Muoi—a mother of four fallen combatants and one war invalid—the Mam Non nursery school in Qui Nhon, Binh Dinh. He also visited the war relic at Song My, where 504 of our compatriots were massacred by the U.S. aggressors; the tomb of the patriotic scholar Huynh Thuc Khang; the Thach Nham hydroelectric project; the Quang Ngai sugar mill; and cadres and the people of his native village of Duc Tan and Mo Duc district.

While in Quang Nam-Da Nang, the comrade adviser was joyously welcomed by cadres and workers of the cloth-dyeing and printing enterprise and teachers and students at the Trung Vuong basic general school in Da Nang city, and the family of Sister Tran Thi Ly. He also attended a friendly get-together with all generals and officers at the 5th military region.

During his stay in Binh Dinh, Quang Ngai, and Quang Nam-Da Nang, Comrade Pham Van Dong met with the party committees and people's committees; key leading cadres at various levels in various sectors; and representatives of the armed forces, veteran revolutionaries, and families having rendered services to the revolution of these central provinces. He expressed satisfaction at the important achievements scored by the party organizations and people of these localities during the recent past, thus, together with the people throughout the country, helping to accelerate the process of socialist construction and national defense.

Comrade Pham Van Dong said: Binh Dinh, Quang Ngai, and Quang Nam-Da Nang all have delta, coastal, mountainous, and midland regions. It seems as if these provinces have been endowed by nature with a multiform economic potential that cannot be found in many other localities.

He expressed the hope that on the basis of considering the people as the root, the local party committee and administrative leaders at all levels would develop the glorious revolutionary tradition of the country in resolutely overcoming all existing shortcomings, strenghtening solidarity and single-mindedness, and working out the best plans to bring into play the effects of all economic components, effectively use the existing production force, fully exploit all local latent potentials, carry out the three major economic programs, gradually improve the people's livelihood, and step up the process of socioeconomic development in each province. This is aimed at joining the people throughout the country in the struggle to successfully fulfill the annual state plan in honor of all major anniversaries in 1990.

In every place where the comrade adviser visited in Binh Dinh, Quang Ngai, as well as Quang Nam-Da Nang, cadres, combatants, and the local people accorded him a warm and cordial welcome and bade him farewell with sentimental affection.

Doan Khue Extends Tet Greetings to Troops

BK2401095590 Hanoi Domestic Service in Vietnamese 1430 GMT 23 Jan 90

[Text] On the occasion of the New Year 1990 and the Lunar New Year of the Horse, from 20 to 22 January General Doan Khue, member of the party Central Committee Political Bureau, vice minister of national defense, and chief of the general staff, visited and extended Tet greetings to cadres and combatants of the 395th Division in the 3d Military Region, the 43d Regiment of the Quang Ninh provincial armed forces, and the 1st Naval Zone. Accompanying him on the trip was Lieutenant General Pham Van Tra, commander of the 3d Military Region.

General Doan Khue thoughtfully inquired about the life of cadres and combatants and lent them encouragement. He also commended various units for having overcome numerous difficulties in their struggle to satisfactorily fulfill all duties last year, as well as for their great efforts in arranging for cadres and combatants to celebrate the arrival of the new spring in a jubilant, healthy, and proper manner.

On behalf of the Party Central Committee Military Commission and the Defense Ministry, Comrade Doan Khue conveyed his kind regards and Tet greetings to the families of cadres and combatants, while expressing sincere gratitude to the people and all party committee and administrative echelons in various localities and Quang Ninh Province for having devoted themselves to caring for the material and spiritual life of all units currently defending the territorial waters, off-shore islands, and border areas in the northeastern part of the country.

Tran Xuan Bach Attends Party Leadership Debate

BK2401101590 Hanoi Domestic Service in Vietnamese 2300 GMT 23 Jan 90

[Text] On the occasion of the party's 60th founding anniversary, 3 February 1930-3 February 1990, the Hanoi City Party Committee standing body on 23 January organized in Hanoi an exchange of views on party-building tasks and party leadership with the participation of more than 80 cadres in charge of party work, teaching, and sciencitific research at city and district levels.

Comrade Tran Xuan Bach, member of the Political Bureau and secretary of the party Central Committee; and Comrade Pham The Duyet, secretary of the party Central Committee and secretary of the Hanoi City Party Committee, attended and participated in the exchange of views.

Analyzing recent political upheavals in the socialist countries and our country's actual socioeconomic situation, especially its price and market fluctuations in 1989, the participants contributed frank, open-minded opinion about the party's role and its leadership patterns, socialist modality, the connection between socialist democracy and proletarian dictatorship, and renovation of the economic mechanism and the political system.

Interior Ministry Decorates CPV Elders

BK2101071090 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Jan 90

[Text] On the occasion of the 60th founding anniversary of the Communist Party of Vietnam [CPV], 3 February 1930-1990, on 20 January the Ministry of Interior's party committee held a ceremony to award the 50-year service medal to Comrade Mai Chi Tho, member of the CPV Central Committee Political Bureau and minister of interior and 40-year service medals to 44 cadres and party members attached to the ministry's general departments, departments, offices, institutes, and people's police school.

On behalf of the medal receivers, Comrade Mai Chi Tho delivered a speech, stressing the CPV Central Committee's special attention given to party members and veteran revolutionists. He said that the revolutionary veterans will strive to develop their role in and fulfill assigned tasks for the nation's current renovation undertaking.

On the same day, Comrade Mai Chi Tho and other leading comrades of the Interior Ministry held a get-together with retired officials of departments, offices, institutes, and the people's police school as well as officials assigned with missions on the occasion of the lunar new year festival.

Party Leaders' Books Published for Anniversaries

BK1901045590 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Jan 90

[Text] On the occasion of the 60th founding anniversary of the Communist Party of Vietnam and in anticipation of great President Ho Chi Minh's birth centenary, the Su That Publishing House has published a number of books such as "Our Party" by President Ho Chi Minh, and works by Comrades Le Duan, Truong Chinh, and Nguyen Van Linh. The new works also included the second volume of "Carry Out Renovation To Move Forward" by Comrade Nguyen Van Linh and the book "Ho Chi Minh: A Man, a Nation, an Era, and a Cause" by Comrade Pham Van Dong. These are precious books presented by the Su That Publishing House in preparation for the celebration of the major anniversaries in 1990.

Last Part of Do Muoi Socioeconomic Report

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[Text] **Part Two**

The 1990 Socioeconomic Targets and Tasks

Comrade National Assembly Deputies,

In 1990 the domestic and international situation will bring about new advantages; at the same time, it will create many new difficulties and complexities. Our guiding concept for the formulation and implementation of socioeconomic tasks in the new year is: Mobilizing the entire party, Army, and people to push forward the renovation process even more strongly in accordance with the party and state resolutions. On the basis of bringing into full play the achievements recorded in 1989, we must exploit to the fullest all advantages, take the initiative in overcoming all difficulties, uphold the spirit of self-reliance, broaden international cooperation, practice economization in national construction, broaden democracy, uphold the rule of law, strive to satisfactorily fulfill the tasks of the 1990 plan and the 1986-1990 5-year plan in preparation for the 1991-1995 5-year plan, and score achievements in celebration of the important national events—President Ho Chi Minh's birth centenary, the Communist Party of Vietnam's 60th founding anniversary, the 45th National Day, and the 15th anniversary of the liberation of south Vietnam and national reunification. **In 1990 we will strive to achieve the following main targets:**

First, we must continue to stabilize the socioeconomic situation; restrict and push back inflation one step further; renovate and perfect the mechanism of socioeconomic management; vigorously shift economic activities to the business accounting system; further raise productivity, quality, and efficiency; reduce expenditures; and increase national income.

Second, we must step up the production and circulation of goods; in particular we must exploit to the fullest the existing capacity of the state-run economy, especially the state-operated industrial sector. We must create favorable conditions for the nongovernmental economic sector to develop vigorously, in the right direction, and in accordance with the law. We must continue to promote the development of the production of grain, foodstuffs, consumer goods, and export items; strive to reduce the imbalance between production and consumption, between budget revenues and expenditures, between export and import....

We must expand external economic relations, rapidly increase the value of exports, and effectively manage and use foreign currency to timely satisfy the demand of socioeconomic development.

Third, we must take one step further in resolving the social problems, especially the question of employment for workers. We must satisfactorily implement the policy of goods distribution and encourage everyone to actively engage in productive labor to reduce the difficulties for a segment of the population. We must selectively satisfy the pressing demands of the scientific, educational, public health, cultural, artistic, information, press, and sport and physical education services, and effect important changes on the front of maintenance of public security and order of the suppression of social evils.

Fourth, we must continue to build the all-people national defense system, build a strong and stable people's army and public security forces, and closely combine national defense and security to frustrate all tricks of sabotage of the hostile forces and firmly defend the socialist Vietnamese homeland.

Fifth, we must continue to broaden democracy in all domains and bring into full play the people's right to mastery; renovate and perfect the state management apparatus at all levels; and enhance the effectiveness and the rules and regulations of managerial work.

I. Economy

1. Production and construction

The main orientation in the formulation of the 1990 production and construction plan is to concentrate all material resources on continuing to fulfill the targets of the three economic programs as stated in the documents which the Council of Ministers has sent to the National Assembly deputies present in this session and as reflected in the plans of the central government as well as of the localities. We must promote the development of agriculture, the agricultural product processing industry, the consumer goods and export goods producing industry, as well as pay attention to the social welfare and the strengthening of the infrastructure, thereby creating proper conditions for increasing the economic growth rate and responding more satisfactorily to the demands of production and life in all respects.

Developing agriculture, forestry, and fishery is still the most important task of the economy. Grain production is the key task in developing **agriculture**. We must strive to achieve a grain production output of 21.5-22 million tonnes. We must pay special attention to developing the cultivation, processing, and selling of subsidiary food crops. We must vigorously develop food and industrial crops, accelerate livestock raising especially cattle, hogs, and poultry ... in the direction of expanding the family economy and gradually shifting animal husbandry to a main sector.

To ensure effective agricultural development, we must uniformly resolve the issues of water conservancy, materials, storage, transportation, processing, and the sale of products.

Regarding **fishery**, we must strive to exploit 1 million tonnes of marine products or 7 percent more than 1989. We must consistently expand areas for shrimp rearing, applying the industrial method.

The most important tasks for **forestry** are forest preservation and afforestation, combining forestry with agriculture, and implementing the tree planting program for the 1990-2000 period. We must promote tree planting to produce materials for the paper industry and for export. We must increase the integrated forest land area by 20 percent over that of 1989.

Exploitation of timber must be carried out in accordance with the set patterns and rules. Indiscriminate felling and burning of forests must be strictly dealt with.

We must accelerate **industrial** production development, meeting more satisfactorily the requirements of industrial production and the people's daily life, especially the peasants. We must vigorously shift industry to business accounting, reorganize production, increase in-depth investment, modernize equipment and enhance craftsmanship, and strengthen the production force mobilization to increase the industrial output value by 6-8 percent over 1989 in which commodity goods increase by 8-10 percent, while striving to enhance labor productivity, improve product quality, minimize material losses, and reduce production costs.

Regarding the **consumer goods industry**, we must concentrate efforts on exploiting the available capabilities of establishments at the central and local levels, state-run small industrial and handicraft establishments, and family economy in city, rural, and mountain areas while encouraging the setting up of new establishments. We must strive to improve goods patterns, promote production of diversified goods, and enhance product quality to

meet the demand and tastes of consumers and to compete with foreign goods. We must pay special attention to major industrial centers such as Hanoi, Ho Chi Minh City, Haiphong, Quang Nam-Da Nang, and so forth.

We must vigorously develop the production of export goods in accordance with signed agreements and produce new goods for export to Zone Two.

To serve the three major economic programs, we must strive to develop the **energy industry, materials, engineering, and infrastructure**. In 1990, we must strive to increase electricity by 16.5 percent over 1989, crude oil by 1 million tonnes, and cement by 600,000 tonnes; improve the quality of coal and accelerate the production of steel and tin.

We must continue to reorganize the engineering sector's production to better serve agriculture, forestry, fishery, communication and transportation, and consumer and export goods industry.

Regarding **transportation**, we must strive to increase transport by 10 percent in freightage and by 7 percent in tonnes/kilometers over 1989. We must fully use the capability of state-run transportation agencies and encourage economic components to participate in organized transport business in accordance with the law so as to satisfactorily meet requirements for transportation of goods and passengers. We must increase the percentage of investment in communication and transportation with emphasis given to key projects such as the Ben Thuy bridge and a number of seaports and main highways, rebuild some sections of road in Hanoi, and resolve some pressing issues of the northern mountain region and the Central Highlands.

Enhance the quality of information and postal service and expand the post and telecommunication network as well as the radio and television broadcasting networks. Continue to build the North-South microwave information system and expand this system to provinces in the Mekong River delta and localities in the northern border.

The pace of investment in **capital construction** was slow during the past several years. To create an economic moving force for the years ahead, we must immediately pay special attention to investment in capital construction. To achieve this, we must strictly practice thrift in production and business, satisfactorily resolve the relations between accumulation and expenditure, and cut down unnecessary expenses to integrate capital for national construction. We must effectively use the existing capital, mobilize new sources of capital using appropriate forms, and resolutely overcome the diverted and wasteful conditions in capital construction investment.

The guidelines for investment are: Continue to concentrate on making investment in the implementation of three economic programs and increasing investment in the projects of water conservancy, energy, industry in support of agriculture, communications and transportation, postal service, storage facilities, public health, education, training, culture, and information. Reserve some funds for further investment and for some construction projects in preparation for the 1991-95 period.

2. Circulation of goods.

Adjust the guidelines and standards for developing trade and service in order to better support the development of goods production in accordance with the state plan objectives and better serve the people's life. Strengthen and consolidate state-owned trade organizations (both materials and consumer goods), focusing on staple commodities and the most important domains in the urban, rural, and mountainous areas, along the line of reducing links and intermediary levels; concentrate on controlling wholesale business, increase the number of goods, and associate with other economic sectors in order to expand business and meet the ever-increasing requirements of production and life. State-owned trade must be quickly consolidated and strengthened to maintain its leading role and its function of regulating markets.

Stimulate the vigorous development of scientific and technical services in support of production, the supply of materials, the consumption of products, and other services in support of life. Restrict and eliminate those unhealthy services.

Intensify market management and positively oppose speculation and smuggling.

3. Relations of external economy and export-import.

Expand the relations of economic, technological, and labor cooperation with foreign countries and international organizations on the principles of equality, mutual benefit, and respect for each other's sovereignty. Encourage investment from abroad (including overseas Vietnamese) under all forms in order to develop domestic production. At the same time, intensify management in order to use investments in a highly effective manner and prevent and overcome negativism in this domain.

Mobilize all economic sectors to join in the production of exports. Increase export quotas by 40.6 percent over that of 1989, including a 61 percent increase in exports to socialist countries. Focus on ensuring adequate exports to the Soviet Union.

Determine the key types of exports. Prepare well the market for major exports.

Define clearly the nomenclature of goods and encourage or restrict imports to benefit the economy and protect domestic production. Motivate the people to use domestic goods, and resolutely oppose the smuggling of imports.

Vigorously accelerate all operations to collect foreign exchange such as tourism, sea transportation, ocean ship

supply, postal and air services, export of labor and experts, overseas remittances, and so on.

Revamp export-import business organizations and reduce certain links and intermediary levels. Establish export-import leagues and unions on the principles of self-administration for mutual benefit in order to limit competition in purchasing and selling, which disturb markets and cause losses for the country.

Satisfactorily settle the systems and procedures for liquidating exports to Region I to spare the state the need to compensate for losses. Reorganize the issuance of quotas and licenses of export to and import from Region II, ensuring centralized state management.

4. Finance, currencies, prices, and duties to curb and repel inflation.

Bring into play the achieved results and uniformly use all anti-inflation measures to make the rates of inflation lower than those of 1989 and more firmly stabilize market prices.

To ensure meeting the financial requirements of 1990, from 23 to 25 percent of revenues from national production must be mobilized for the state budget. Adjust the structure of budgetary expenditures, increase expenses for socioeconomic undertakings, struggle to reduce the rates of budgetary and cash overdrafts to levels lower than 1989.

Start the project for exempting peasants from paying agricultural taxes according to President Ho's testament. Motivate and guide peasants in effectively using the extra income resulting from tax exemption. Redetermine production volume to serve as a basis for computing agricultural taxes for the next 5 years in lieu of the average 3-year (1980-82) production volume that is no longer suitable, and collect agricultural taxes in cash.

Finance and banking must ensure the fulfillment of necessary demands for capital to implement the 1990 socioeconomic duties. Closely manage the requests and use of loans and the payment of foreign debts.

5. Science

In 1990, the scientific task will be concentrated more on the following objectives: To support directly and practically the key projects in the implementation of the three major economic programs; to provide a scientific basis for the formulation of a socioeconomic development program and strategy; establish perfectly and apply uniformly a system of Vietnamese standards to products under the quality control of the state management; and intensify measures to inspect and certify the quality of products. Continue to study the renovation of scientific management mechanism in line with the renovation of the overall management mechanism. Study and implement a better remuneration system for scientific cadres in order to stimulate their talents.

6. Labor and Life

The state encourages economic sectors to expand production and business in order to create jobs for workers, develops training centers, conducts refresher training, and provides job-seeking advice, paying attention primarily to demobilized soldiers. Revamp the organization and management so as to continually expand labor cooperation with foreign countries, and concentrate on resolving the labor excess in the state domain.

Positively implement family planning to reduce the birth rate to 0.004 as compared to 1989.

Carry out uniform measures to ensure realistic wages for workers, civil employees, armed forces' members, and correctly distribute and redistribute the income of the people of all strata. Correct some of the irrational points in the current pay system in order to stimulate positively workers and business initiatives and, at the same time, ensure social justice.

Increase pensions for some of the recipients of the state pension policy. Ensure timely and adequate payment of annuities to retired cadres.

With budgetary funds and the people's contributions, strive to improve housing for the people, especially in those localities where shortages are critical and solve the water problem in the rural areas of the Mekong River Delta, Central Highlands, and mountainous regions and reduce the number of poor hamlets, villages, city wards, communes and households.

II. Social Aspects

1. Education and Training

Education is a major undertaking of immediate and long-term significance. In 1990, we must sum up educational reforms in order to have a basis for adjusting the objectives and steps in improving the educational program and contents; diversify various training forms, enlarge the system of informal education, raise the quality of teaching and learning, establish plans for teaching and learning foreign languages in general education schools, reformulate the system of school curricula and lessons on social science subjects, complete the popularization of level I education in some cities, towns, and plains; step by step wipe out illiteracy; and make sure that most of the children reaching school age can go to school, as the number of students at the beginning of the 1990-91 school year will be increased by 3.3 percent. We must prepare a law to popularize level I education, pay attention to the network of professional schools and classes, increase the spending for education in the state budget, and adjust the tuition fees in the direction of increasing fees for level III school and giving free education to students in the localities of tribal people and to level I school students.

As for university and higher education, increase the level of selecting students into various faculties by 9 percent

over that of 1989., expand the various forms of advanced college education and higher on-the-job training depending on various specialties and subjects, strengthen the system of training researchers along the line of training them mainly domestically, rearrange and expand the system of middle professional and vocational schools by mobilizing additional nonbudgetary funds, pay attention to the educational tasks and the popularization of technical training in mountainous and underdeveloped regions, and take attentive care for the living and working conditions of teachers and students of both sexes.

2. Information, Culture, Arts, Sports and Physical Training

Continue to institutionalize the party lines and the contents of state management concerning cultural activities and information tasks by various texts of law, begin implementing the law on the press, prepare the bill on publication, renovate the management mechanism, rearrange the organization and network of the entire sector, and ensure the dynamism of grass-roots level units. The state should intensify its management, increase funds for cultural and information activities, implement the system of ordering goods and the policy of price subsidies toward publication and the press, and resolutely overcome the tendency to commercialize cultural and information activities.

In 1990, cultural and information activities must be concentrated on satisfactorily serving the major anniversaries of the nation, educating the people profoundly on the revolutionary traditions, and strenuously creating rich spiritual products of high quality.

Increase the circulation of newspapers, books, and magazines in rural areas and in the tribal people's regions, especially schoolbooks to wipe out illiteracy, books to popularize technology, books for teenagers, and so on; rearrange the printing and publishing sector and the press, and concentrate on making investment in the renovation of technical equipment of central level printing shops in order to raise the quality of books and magazines.

We must continue to plan loudspeaker, radio, and television networks and to increase radio reception among the people. It is necessary to consolidate and expand loudspeaker, information, and propaganda activities in rural, mountainous, mountainous border, and central highland regions, as well as in remote areas of the Mekong Delta, areas formerly serving as bases of the revolution, and hard-to-reach areas.

We must reorganize and modernize the equipment of the cinematographic sector to turn out good products, get rid of harmful films and video tapes, and enter the international film market; continue the fight against "black" books, "black" video tapes, and various types of music tapes and pictures having bad contents; combat superstitious beliefs; and eliminate backward customs.

It is necessary to reorganize art troupes, improve the quality of performances, and expand exchange and cooperation with foreign countries. Efforts must be made to increase library-related activities and satisfactorily preserve and develop the value of the nation's cultural legacy and relics; and to repair, upgrade, and build the necessary material bases for cultural activities.

We must broadly promote the mass sports movement, vigorously step up the activities of sports associations and groups, enhance the quality of associations and groups of professional athletes, and satisfactorily participate in international sports events.

3. Public Health and Health Care.

It is necessary to intensify primary health care activities, develop a school health network, continue implementing national programs for children's health care, carry out family planning, and control malaria and goiter.

The state shall increase the ratio of investments for public health. The localities shall mobilize additional funds and the people's contributions to consolidate and build grass-roots health clinics and pay the wages of village health workers. For provincial and central hospitals, the state shall provide them with the necessary funds chiefly to prevent downgrading material bases. Policies on preserving and promoting national traditional medicine in conjunction with modern medicine shall be promulgated.

It is necessary to revise and supplement the system of collecting examination and treatment fees to suit the people's conditions and living standards, institute at an early date the system of health insurance, and expand trading activities involving medicines and health equipment in accordance with the law and under the close control of the public health sector.

State agencies and mass societies at both the central and local levels must satisfactorily fulfill their responsibilities in caring for war invalids, especially serious cases, families of fallen heroes, retirees, and other eligible persons.

III. Some Targets for Mountainous Regions

In the coming period, the Political Bureau will issue a resolution on the mountainous regions, and the Council of Ministers will also issue a decree to concretize and institutionalize the Political Bureau resolution. An urgent task at present is to vigorously bring into play the dynamism and creativity of localities and grass-roots units together with the effective support of central branches. This task has the aim of concretizing and organizing the implementation of the general viewpoints and policies of the party and state, which are designed to develop the mountainous regions' economic structure along the line of shifting in a positive manner step by step to a commodity economy in accordance with the characteristics of each region, each small area, and each ethnic group.

We must resolve the grain problem in the mountainous regions according to the viewpoints based on a commodity economy.

Efforts will be made to continue allocating land and forests to the people, and to link the allocation of land and forests to the settlement of nomadic ethnic minority people.

It is necessary to broaden cooperation, joint venture, and integration among the various economic components, with other localities, and with foreign countries to obtain more funds for rapidly exploiting the strengths of the mountainous regions concerning forests, industrial crops, livestock breeding, mineral extraction, and so forth.

In order to step by step develop production and improve the material and cultural life of ethnic minority people, we must pay special attention to developing communications, transportation, mail, and telegraph; expanding the circulation of goods; building such social welfare facilities as schools, hospitals, and health stations, especially in remote villages; and organizing the timely supply of such essential commodities as salt, cloth, kerosene, and writing paper at prices comparable to those in the lowlands. It is necessary to exempt a number of hard-pressed regions from agricultural taxes and to grant business tax exemption or reduction to a number of artisan and handicraft branches and trades in the mountainous rural areas.

IV. National Defense and Security

Concerning national defense:

We must continue to reduce the troop strength of the standing Army on the basis of strengthening the all-people national defense system, and of improving the quality of the armed forces including all three categories of troops and the mobilization reserve forces. We must take better care of soldiers' material and spiritual life in conformity with the capacity of the economy. We must ensure that demands for equipment, storage areas, and defense projects are met and that the Army rearguard welfare policy is better implemented. We must closely link the formulation of mobilization plans with the formulation of plans for the defense of provinces and cities, making this a regular duty of all sectors and localities.

We must bring into fuller play the Army's capability to participate in economic work, satisfactorily combining this with its defense duty. We must reorganize the defense industry, ensure that the demands for necessary military products are met, and, at the same time, create greater capability for production of economic products. The business accounting system must be applied to those defense enterprises that have switched to doing economic work.

Concerning public order and security:

Guaranteeing public order and security is an urgent requirement of our people at this juncture. We must continue to intensively guide the implementation of the resolutions of the Fourth Session of the Eighth National Assembly and Directive 135-CT of the chairman of the Council of Ministers on the maintenance of public order and security. The internal affairs sectors must work in close coordination with the armed forces to motivate and organize the people to resolutely struggle against saboteurs and embezzlers of the state's and citizens' property. We must continually launch drives to suppress criminal elements, especially along key routes and in key areas. We must consolidate security at the border, along the coast, on offshore islands, and in other sensitive areas.

We must step up the the mass movement for national security and public order and safety. We must strengthen propaganda of and education in law, struggle to prevent criminal offenses from the grass-roots level up, and timely and definitively settle all conflicts and disputes among the people. Resolute measures must be applied to ensure traffic order; to eliminate roadside and sidewalk commercial operations; to eliminate social evils; and to prevent unhealthy cultural activities and services. Court cases must be urgently, strictly, and justly tried; and criminals, illegal business operators, earners of ill-gotten income, tax evaders, people resisting officials who perform their duties, and so forth, must be timely punished.

We must continue to build pure, stable, and strong people's public security forces equipped with high professional standards and fighting strength. The people's public security forces' equipment and means of operation must be increased.

V. Diplomacy

We must continue to implement the resolution of the Fourth Party Congress and the resolutions of the party Central Committee Political Bureau and National Assembly on external work, further step up diplomatic activities, strengthen friendly relations, and enhance the efficiency of cooperation with the Soviet Union, Laos, Cambodia, and fraternal and friendly countries. At the same time, we must broaden multifaceted relations with other countries, particularly the countries in the region, on the basis of the principle of respect for each other's independence and sovereignty, noninterference in each other's internal affairs, equality, and mutual benefit. All diplomatic activities must concentrate on the objective of firmly maintaining peace and of seizing all favorable opportunities and conditions in conformity with the common trend and new situation in the world to build the country and defend national independence, sovereignty, and territorial integrity while contributing to the common struggle for peace, national independence, democracy, and socialism in the world. We must make early forecasts and adopt policies and measures to promptly cope with existing difficulties and complexities as well as those that may crop up in our external relations.

Part Three

Continue to renovate the economic management policy and mechanism and improve the effectiveness of leadership and guidance for work implementation.

Comrade national assembly deputies:

Experience obtained over the past few years, especially in 1989, shows that in order to fulfill the 1989 socioeconomic objectives and prepare for the implementation of the 1991-95 economic development plan, we must continue renovating and making uniform our socioeconomic policies and management mechanisms in accordance with the party's and state's resolutions as follows: **1. Clearly define and formulate step by step a rational system for the national economy so as to secure balanced and efficient economic growth and make full use of all national strengths.**

The imbalanced situation of the economy still remains serious. We must forsee upheavals in the situation if we are to muster the entire people to improve their spirit of self-reliance and their sense of frugality for the sake of national construction. This is to concentrate all forces that we can motivate on gradually overcoming imbalances and creating the possibility for stabilizing all situations.

First of all, it is necessary to further resolve the relations between industrial and agricultural production in the direction of intensifying industrial activities for the service of agriculture, ensuring a high, steady development pace for agriculture.

Meanwhile, agriculture, forestry, and fishery must surge forward to provide ever-larger quantities of raw materials for industry, food grain and other foodstuffs for the people, to create markets for our industrial products, and to contribute to achieving capital accumulations for national industrialization. Industry and agriculture must achieve close cooperation in turning out ever-larger quantities of high-quality goods in order to meet requirements for domestic consumption and for export.

It is necessary to adopt a correct concept of the role of public support services and to come up with policies and plans for promptly developing this field of activity in order to satisfactorily serve production and the people's welfare.

Efforts must be made to satisfactorily combine sectoral management with territorial management. Various ministries must perform their function of exercising state-level management over the activities of all economic sectors and of the people of all strata throughout the country. The people's committees at all levels must perform their function of exercising uniform state-level management over the operations of all production and business establishments as well as other occupational, cultural, and social organizations located within their areas of responsibility. It is necessary to avoid a situation in which ministries and the local administrations concern themselves only with those units under their direct jurisdiction while belittling their tasks concerning guidance, management, inspection, and control, thus creating loopholes in the implementation of party and state policies and laws.

It is necessary to satisfactorily resolve the relations between urban and rural areas. Plans must be worked out to ensure correct division of cooperation, to exploit to the fullest the strengths of urban and rural areas, and to avoid the overlapping of duties and duplication of work that obstruct and upset operations. It is necessary to achieve economic cooperation between urban and rural areas in order to produce highest socioeconomic development results.

Efforts must be made to promptly promulgate legal documents defining relations in labor division and cooperation between areas and within each area in the framework of a uniform national economic system. **2. It is necessary to amend and perfect various policies, mechanisms, and laws, creating conditions for all economic sectors to develop their production and business operations in the right direction and in accordance with the law.**

Continued efforts are needed to bring into full play the potentials of the various economic sectors, release the force of production, increase social products, resolve employment problems, and ensure the income and welfare of the people of various strata. It is necessary to supplement various policies and measures aimed at creating conditions and providing guidance for various sectors to develop in accordance with programs and plans. This is to avoid spontaneous growth conducive to business failure and finally bankruptcy, or a situation where business operations are not carried out in the right direction or in accordance with the law.

It is necessary to achieve close cooperation among various sectors and encourage their mutual assistance for development, on the basis of the state-run economic sector playing a leading role and guaranteeing the interests of all parties concerned. Efforts must be made to ensure equality between various sectors in production and business and before the law. So far, there have emerged many good models in cooperation among various sectors in both urban and rural areas, both lowlands and mountain regions, and in many different branches, trades, and fields of activity. It is necessary to promptly review experiences on these models for multiplication throughout the country.

It is imperative for the state economic sector to be in charge of those key socioeconomic components that contribute to the balanced development of the national economy and affect the sources of national income and the people's living conditions—such as energy-generating centers, basic infrastructures, industrial enterprises, communications and transportation facilities, trading and materials supply services, and import-export organizations. It is also important for the state

economic sector to exert tight control over the financial, monetary, and banking services.

It is necessary to guarantee conditions for state enterprises to enjoy autonomy in business transactions as well as to fulfill their obligations to the state. It is important to take into consideration all factors affecting input and to give enterprises more freedom to handle output as they see fit in order to meet market demands. Steps must be taken to review and reevaluate funds and leave business management to enterprises so they can operate efficiently, preserve and develop capital, and make loan payments to the state. It is necessary to clearly define the enterprises' financial obligations to the state and to work out a uniform budget income contribution system in order to guarantee fairness for all sectors concerned when it comes to fulfilling budget income targets.

It is the state's policy to help the enterprises with those issues they cannot resolve following the abolition of the state subsidization system.

Plans must be worked out to improve the income distribution system within enterprises in accordance with the principle of guaranteed fulfillment of budget income target, rational coverage of production costs, remuneration based on actual work performance, and fair treatment for enterprises as well as other sectors and branches of the national economy.

Continued efforts are needed to renovate the management of enterprises. Pilot projects must be implemented by enterprises to study the efficiency of the board of management and the system of supervision by general managers. Plans must be worked out by the state economic sector to organize partnership enterprises and corporations on a trial basis.

Steps must be taken to inspect and reorganize the business operations of party organs, mass societies, military organizations, public security services, and so forth, so as to guarantee that business operations are carried out in the right direction and strictly in accordance with set policies and the law.

Drastic measures must be taken to help the various trades and branches of production develop different forms of cooperativization economy in the cities, the countryside, and the mountain regions on a voluntary basis and in accordance with the principle of mutual interests and democratic management.

Efforts must be made to promote close cooperation and mutual support between the cooperativization economy and the state economy and between the individual economy and the household economy. In this way, there will exist conditions for all sectors concerned to make progress. The state will try to perfect the various policies toward trades and branches of production, financial institutions, credit service agencies, materials supply centers, trade organizations, insurance agencies, and so forth. It is also the state's policy to create conditions for the cooperativization economy to develop in the right direction and yield effective results. By the same token, cooperatives are dutybound to fulfill their obligations to the state, guarantee conditions for cooperative members to earn incomes and improve their livelihood, and increase nondistribution funds in order to have conditions for consolidating and promoting cooperativization economy and securing the well-being of all parties involved.

Regarding other economic sectors, it is necessary to promulgate a number of laws and related legal documents aimed at encouraging all strata of the people to make long-term business investment. Steps must be taken to encourage production-related investment and limit over-investment in a number of trading and service industries. Efforts must be made to develop various forms of partnership corporations and closely oversee everything so as to guarantee that business operations are carried out strictly in accordance with the law. **3. Strengthen apparatuses for macromanagement and create conditions for grass-roots establishments to achieve high socioeconomic results.**

Urgent efforts are needed to formulate our nation's socioeconomic strategy for the next 10-15 years, with emphasis given to long-term socioeconomic development orientations and objectives, so that the various sectors and regions concerned may concentrate on this strategy to mobilize and distribute manpower.

Steps must be taken to perfect the 1991-95 5-year socioeconomic development plan for submission to the National Assembly for approval before its implementation in early 1991.

In implementing the 1990 state plan, we should continue reducing the number of mandatory plan targets and further expanding recommendations, combining plans with market demands, improving statistics and accounting work, enhancing the accuracy of economic and market information, and keeping everyone informed of economic-technical norms and so forth to help improve the control of production operations and guide grass-roots establishments in carrying out their business transactions. Economic contracts should be regarded as an important instrument for planning and project implementation.

To manage the plans of the multicomponent commodity economy, it is particularly important to consolidate, improve, and effectively apply the financial, monetary, and pricing systems and establish and regulate the relations between demand and supply, between money and goods, and between income and expenditure.

The national financial policy for the days ahead must be formulated in such a way as to create an abundant source of capital for us to speed up national construction and quickly extricate ourselves from the current crisis and difficult situation.

It is necessary to intensively develop and bring into play the role of the new tax system. We must enforce laws on

agricultural taxes, trade profit taxes, commodity taxes, and income taxes, and prepare for the enactment of taxes on natural resource, capital, individual income, and so forth. This is aimed at basically modifying the tax policy. It is imperative to oppose shortfalls in the collection of taxes, especially industrial, commercial, agricultural, and export-import taxes. We must reorganize the tax collection system from central to grass-roots levels; enhance the role and responsibility of state agencies at all levels in work related to tax collection; and intensify the control, inspection, and opposition to negativism in work related to tax collection, tax payment, tax reduction or exemption, revenue, expenditure, and financial management.

It is necessary to carry out propaganda and education activities persistently and extensively among various economic components and the people of all strata to make them see the need to fulfill their tax obligation, considering this a concrete manifestation of patriotism and love for socialism, and in the interests and honor of citizens.

Funds must be allocated in such a way as to ensure the fulfillment of all major targets and tasks concerning socioeconomic development at the central and local levels, as well as national defense and security. We must resolutely pare down unnecessary expenditures and ensure expenses for cultural and social undertakings, which are on the decline, and have necessary reserve funds for unexpected necessities. Efforts must be made to satisfactorily execute the existing social insurance policies and expand different forms of production and life insurance for use by the people of all strata.

It is necessary to transfer part of investment capital from the budgetary system to the credit system for investment purposes with low interest rates.

Efforts should be made to basically modify the organizational and operational systems of banks in a way that suits the renovation of the economic structure and production and business management mechanism. We must continue shifting the banking sector vigorously to business to enable it to satisfactorily carry out work-related financial settlement and credit and cash transactions in support of all socioeconomic components and domains, as well as to accelerate cash rotation and regulate money flow in order to help develop production and business effectively.

We should continue experimenting in the organization of partnership banks, and reorganize the people's credit funds and other forms of credit transactions that have been established at will or in a disorderly manner. We must bring into full play the state bank's role in planning money issuance, regulating credit funds and money flow, inspecting and supervising various specialized business banks to ensure that they comply with the state rules and regulations on business transactions. We must deal severely and openly with all cases involving negativism in the banking sector.

It is necessary to rigorously control money issuance and continue readjusting the interest rates of credit and savings deposits to satisfactorily serve production, business, and daily life activities. We should apply a convenient formula of financial settlement without using cash, overcome the appropriation of each other's capital between enterprises and economic organizations, and reduce the pace of granting credit.

The state should expand business dealing in gold, silver, and foreign currencies to effectively control the market.

It is necessary to rationally fix the rates of exchange between the Vietnamese dong and Russian ruble and U.S. dollar; resolutely implement unified state management of foreign currencies through the bank on the basis of appropriately protecting the interests of both the state and those possessing these currencies; formulate plans on collecting and spending foreign currencies by making draft accounts at the beginning of each year and establishing final accounts at each year's end so as to prevent foreign currencies from being circulated outside the banking system and state budget; and expand the banking sector's international relations.

We must adopt many measures, especially economic measures, to stabilize market prices and keep the rate of exchange between industrial products and farm products at a rational level.

It is necessary to continue applying the one-price system for materials and goods that are still under the two-price system. We must also study ways to deal with problems concerning the prices of natural resources and dwelling-houses in order to work toward eliminating state subsidy and opposing the lavish use and unfair allocation of natural resources and dwelling-houses.

4. Enhance the state's work execution efficacy, regulate and renovate the cadre-related tasks, and ensure strict implementation of resolutions of the National Assembly and echelons of the people's councils.

The Council of Ministers proposes that the National Assembly and the Council of State urgently perfect various law research agencies and concentrate efforts on promulgating essential laws to manage and execute the work of the nation accordingly, while striving to improve the dissemination of state law and train and foster lawyers for sectors and branches.

It is necessary to quickly review and renounce some enforced legal documents in defiance of the socioeconomic management mechanism, while consistently making amendments to other documents to establish a uniform legal document system.

We must strive to enhance the work efficacy of state agencies, revise the law on organization of the Council of Ministers, continue to clearly define concrete state management authority of ministries and echelons of people's

committees, and correctly implement the law on organization of echelons of the people's councils and committees.

We must continue to abolish unnecessary intermediate echelons on the basis of concretely defining the function, duty, and state management authority of organizations in the state machinery so as to make it increasingly compact and effective.

It is necessary to organize training and refresher courses for cadres to meet requirements of the renovation, especially key cadres of people's committees and important state management agencies such as the banking, financial, and foreign economic relations sectors, as well as major business units and scientific-technological sectors. Starting from 1990, we must pay attention to fostering and enhancing the cadres' background on state law and on state and administrative management.

Ministries, general departments, and people's committees, with their state management authority, must closely coordinate in supervising and controlling the implementation of major policies, while promptly resolving obstacles and shortcomings that caused adverse effects on various areas. We must strive to enhance the sense of discipline and provide guidance on state uniform work execution to agencies at the central, local, and grass-roots levels as well as the society as a whole.

We must closely coordinate with the Fatherland Front and mass and social organizations to mobilize the people to participate in formulating and implementing major policies of the state; strive to fight against negative phenomena; expand progressive models; strengthen inspection and control over law enforcement; ensure broadening of democracy in accordance with the law; ensure social justice; purify the state machinery; deal strictly with officials who abuse their authority to persecute the masses, receive bribes, and intimidate the people, while strictly dealing with hooligans who are opposing the authorities carrying out their duties and who are taking advantage of democracy to violate the law, which is detrimental to the socioeconomic situation.

Dear presidium, Dear comrade National Assembly deputies,

The 1990 socioeconomic development tasks are very heavy, while objective difficulties and weaknesses are still prevalent. However, with the initial, positive pace of progress scored in 1989 and with experiences gained in the past, we are very confident and determined to outstandingly fulfill all tasks and set targets so as to create favorable conditions for further progress in implementing the 1991-95 development plan.

Thank you very much, comrades and friends, for your attention.

Australia

Treasurer Keating Favors Early May for Elections

BK2401025390 Hong Kong AFP in English 0212 GMT 24 Jan 90

[Text] Canberra, Jan 24 (AFP)—Treasurer Paul Keating Wednesday [24 January] tipped early May for the coming Australian elections as the dollar came under continued selling pressure in reaction to lower interest rates.

Mr. Keating said in a radio interview that early May was "probably the right time" to hold the election, which is due by the end of that month. But he said that the decision for an election date lay with prime minister Bob Hawke. The latest date a poll can be held is May 12.

Election speculation was heightened Tuesday after Mr. Keating announced that the government had eased its tight monetary policy and the central reserve bank pushed interest rates down. The move caught financial markets by surprise and the Australian dollar, which had been supported by high rates, dropped from 79.35 U.S. cents at Monday's close to 78.03 at the end of trading Tuesday.

At the mid-session break Wednesday, continued selling pressure had pushed the dollar down to 76.63 U.S. cents, with reports that the reserve bank was active in support of the currency.

Ban Lifted on Ministerial Visits to China

BK2301074290 Melbourne Overseas Service in English 0700 GMT 23 Jan 90

[Text] Australia is lifting its ban on ministerial visits to and from China imposed after the Tiananmen Square massacre in Beijing last year. Federal cabinet has decided that proposed visits will in the future be decided on a case by case basis.

Other measures imposed last July, such as restrictions on other official visits and new aid projects would remain in place.

The foreign minister, Senator Gareth Evans, says the relaxing of sanctions does not represent a return to business as usual. He says that despite the lifting of martial law in Beijing, pro-democracy demonstrators are still in prison, human rights abuses continue, and political and economic reforms have stalled. He says Australia will continue to be uninhibited about accepting visits from leading Chinese dissidents.

Cabinet has authorized Senator Evans, in consultation with the prime minister, Mr Hawke, to vary remaining sanctions as appropriate.

New Caledonia

Kanak National Front Fails To Elect President

BK2101121490 Hong Kong AFP in English 1152 GMT 21 Jan 90

[Text] Noumea, Jan 21 (AFP)—The congress of the Kanak Socialist National Liberation Front (FLNKS), New Caledonia's main pro-independence group, ended here Sunday after the 500 delegates failed to choose a new president. The last FLNKS president, Jean-Marie Tjibaou, was assassinated May 4 along with another secessionist leader Yeiwene Yeiwene.

Spokesman Wassissi Ipoue told reporters that a "lack of time" during the two-day meeting was the reason that a new president was not elected. He said the multi-party group would meet again on March 24 to select a leader, adding that the just-concluded congress was an opportunity for "clarification" of the divided movement's internal problems.

The umbrella organization, composed of the Caledonian Union (UC), Kanak Liberation Party (PALIKA), Progressive Melanesian Union (UPM) and the Kanak Socialist Party (PSK), supports the territory's independence from France.

The FLNKS has not taken a stand regarding reintegration with the hardline United Kanak Liberation Front (FULK), a member group not allowed to participate in the congress because it has refused to condemn the killings of Mr. Tjibaou and Mr. Yeiwene and it opposes the Matignon accords. The accords were reached between Paris and principal pro- and anti-independence factions in June 1988 to stem a rising tide of ethnic violence between native Melanesians (Kanaks) and settlers of European descent, and to prepare the way for independence.

Under the pact, New Caledonia was administered by Paris for one year until July 14, when it was divided into three provinces with political and economic autonomy. An election in June gave an absolute majority in the north and in the Loyalty Islands to the FLNKS, and in the south to the anti-independence Rally for Caledonia in the Republic.

The FLNKS has not formally adhered to the theory of a conspiracy in the asassinations of Mr. Tjibaou and Mr. Yeiwene, an idea put forth by the UC, the principal faction of the pro-independence movement which has suggested that the FULK was responsible.

"It would seem that there was a conspiracy, but we have only disparate pieces," Mr. Ipoue said, adding "nothing indicated that responsibility for the assassination should be attributed to the FULK." He also said none of the other member groups had been implicated.

Observers said the persistent unease within the FLNKS' ranks was underlined by the failure of the congress to take any decision on the major issues that it ought to

have dealt with. But Mr. Ipoue refused to speak of a "stalemate," saying that the "clarification" sought by the members had taken place and that the coming two months offered time "to pass the information along to the grassroots."

The congress adopted two motions affirming the organization's unity and calling on member-groups to "respect the goals and apply the decisions taken in common." But Mr. Ipoue did not specify what these common goals and decisions were. When asked about a motion saying the Matignon accords were "not an end in themselves and would never lead to independence," Mr. Inoue said there "was not time to clarify this point."

Leaders of the UC, PALIKA and PSK said Saturday that all parties recognized the accords but that differences existed "at the level of strategy." Each of the three parties was presenting its own candidate for the presidency, congress participants said.

The meeting also passed a motion Saturday calling for a leader with a sure political base who could unite the organization "under the cover of the movement's political office, which should remain the supreme body." The congress agreed that the March meeting should settle the question of the presidency and the group's strategy.

Papua New Guinea

Secessionist Rebels Continue Guerrilla Warfare

Attack Garrison, Burn Airliner

BK2401061690 Hong Kong AFP in English 0556 GMT 24 Jan 90

[Text] Port Moresby, Jan 24 (AFP)—Secessionist rebels attacked Wednesday a Papua New Guinea district garrison at the southern end of strife-torn Bougainville Island, authorities said here.

Reports reaching officials here indicated that government workers at the district headquarters at Buin fled north to the provincial capital of Arawa, about 60 kilometres (36 miles) away, after the attack by the self-styled Bougainville Revolutionary Army (BRA). The rebels have been waging a 14-month guerrilla war for the copper-rich island's secession from Papua New Guinea.

Although details on the latest attack were sketchy, reports reaching here said that a red rebel flag was flying over the district headquarters in Buin. The attack appeared to be yet another setback for the government, which only Tuesday claimed to have attacked and destroyed the BRA's headquarters near the giant Bougainville Copper Ltd. Mine at Panguna.

Police Commissioner Paul Tohian said that troops had captured a large amount of home-made weapons and documents, taken a high number of rebel casualties and forced others to flee. He claimed the attack showed that stepped-up government operations which began 10 days ago were proving "most effective."

Meanwhile, fresh outbreaks of violence were reported from Buka Island off the northern tip of Bougainville where rebels burnt down several homes, forcing the evacuation of several families at the weekend.

On Wednesday, armed men seized a commercial aircraft at the main airstrip on Buka, ordered the passengers off and then set it afire.

Kill British Businessman

BK2401081990 Hong Kong AFP in English 0756 GMT 24 Jan 90

[Text] Port Moresby, Jan 24 (AFP)—Bougainville's 14 month secessionist crisis claimed its first foreign victim Wednesday [24 January] when rebel gunmen shot and killed a British businessman, officials said here.

A spokesman for the medical centre at Bougainville's provincial capital Arawa told AGENCE FRANCE-PRESSE that Welshman Mike Wortley, a manager with the Bridgestone Tyre Company, died after being shot in the head near a copper mine shut down by rebel activity.

Bridgestone's Papua New Guinea general manager Peter Love said Mr. Wortley, who had been on Bougainville since September last year, was preparing to return to Sydney where he has lived for the past 10 years. The medical spokesman said Mr. Wortley's wife had identified the body. She had recently joined him on holiday with their young daughter.

Sources on Bougainville, quoting witnesses, said that gunmen moved in and opened fire on Mr. Wortley and a Papua New Guinean assistant as they left the Bridgestone office near the Panguna mine of Bougainville Copper Ltd. at 11.20 a.m. The medical spokesman said the assistant received minor gunshot wounds to the body and was in a satisfactory condition.

Mr. Wortley's death, the first foreigner to die in a conflict which has claimed nearly 60 lives, came as rebels stepped up attacks across the island.

Earlier Wednesday, rebels seized a commercial aircraft at an airstrip on a small island off Bougainville, ordered the passengers out and set it on fire. Two Australians, a Bougainville Copper Ltd. executive and a Melbourne journalist, were shot and wounded last week.

The attack on Mr. Wortley occured near an area being cleared for an emergency airstrip for the evacuation of foreign nationals working on Bougainville if attacks continued to escalate. The Australian Government has confirmed it has a contingency plan for an evacuation using military aircraft.

There are at least 1,000 Australians and 180 New Zealanders, including dependents, remaining on Bougainville. It was not immediately known how many other

foreign nationals were on the island. Some 150 Australians are left at Panguna after Bougainville Copper mothballed its mine last December, rebel attacks having halted operations since May. Security forces were also unable to ensure the safety of its employees.

The Papua New Guinea Government declared a state of emergency in its North-eastern Province last June 26 after secessionist landowners escalated attacks against the mine in a guerrilla war which began in November 1988. The rebels have demanded billions of dollars in compensation from the mining company, which has been operating at Panguna since the early 1970s, and secession of mineral-rich Bougainville from Papua New Guinea.

Bougainville Copper Ltd. is 52 per cent owned by Australian Diversified Miner Cra Ltd., which in turn is 49 per cent owned by British Giant Rtz Plc. Bridgestone Australia Ltd., for whom Mr. Wortley worked, won a contract 18 months ago from the Goodyear Tyre and Rubber Co. Ltd. to supply tyres to Bougainville Copper.

Government Forces Say Rebel Headquarters Taken

BK2401014490 Melbourne Overseas Service in English 0100 GMT 24 Jan 90

[Text] Papua New Guinea Government forces claimed to have captured the headquarters of the rebel Bougainville Revolutionary Army. The comptroller of the state of emergency on the island, Mr (Paul Torian), said valuable documents and a large quantity of firearms had been seized. He claimed that the rebels were on the run.

Mr (Torian) said the militant landowners no longer had an equipped operational center, were short of ammunition and medical supplies, and had resorted to attacks on plantations and innocent citizens. He said security forces 10 days ago had moved into the rebel-held (Congaro) region, south of the big Panguna Mine, which is being shut down because of sabotage and attacks on employees.

A Radio Australia correspondent in Port Moresby, Rob Rushkie, says despite the government's claims of success, rebels have pushed north to the island of Buka where they have destroyed 10 houses belonging to police.

Defense Minister Wants Increase in Armed Forces

BK2301101290 Hong Kong AFP in English 0959 GMT 23 Jan 90

[Text] Port Moresby, Jan 23 (AFP)—Papua New Guinea Defence Minister Ben Sabumei said Tuesday [23 January] he wanted to increase the strength of the country's armed forces to over 5,000 by 1994. Mr. Sabumei said in a statement that the government had no alternative but to increase the strength of the Papua New Guinea Defence Force (PNGDF) after the Bougainville crisis exposed a shortage of trained soldiers.

The defence minister is to argue his case for more soldiers at a meeting of Prime Minister Rabbie Namaliu's cabinet later this week. The PNGDF has been spearheading a security operation on Bougainville against secessionist landowners who have been waging a guerrilla war on the copper-rich island, closing the giant open-cut mine there since last May. More than 50 people have been killed since the crisis began in November 1988.

Three people were reported to have been killed by security forces operating in the rebel-held Kongara region Tuesday, but it was not immediately clear whether all were militants. Several clashes were reported as troops moved into the area, but there were no official details.

Mr. Sabumei said he wanted the strength of the PNGDF increased by 450 soldiers to 3,800 by the end of this year—funding for which was granted by Australia last week—and to 5,200 by 1994.

"The Bougainville crisis has certainly overstretched the manpower and logistic resources of the defence force," Mr. Sabumei said. "If the crisis continues and our commitments and responsibilities along the international border and elsewhere increases, it is inevitable that more manpower will be required immediately and in the near future," he said.

The buildup would cost between three million kina (three million U.S. dollars) and four million kina (four million U.S.), he said, adding that further assistance could be sought from Australia.

Western Samoa

Premier Calls for Renewed Ties With New Zealand

BK2201073490 Melbourne Overseas Service in English 0500 GMT 22 Jan 90

[Text] Western Samoa's prime minister, Tofilau Eti Alesana, has called for a renewal of the relationship between New Zealand and his country. The prime minister made the call in addressing the New Zealand Government's task force in Western Samoa reviewing Pacific foreign policy.

He said his country had a new generation taking part in politics and it was time to work out future ties. Tofilau Eti Alesana added that the setting up of such a task force by New Zealand was a wise move because there was a tendency for the relationship between the two countries to diminish.